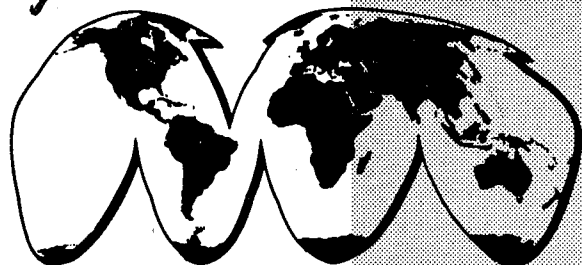


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BLS Report No. 267



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**LABOR**

**LAW AND PRACTICE IN  
THAILAND**

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UNITED STATES DEPARTMENT OF LABOR

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BUREAU OF LABOR STATISTICS

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TO  
PREFACE

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## Preface

This report is one of a series being prepared in the Bureau of Labor Statistics. The series is intended to provide background material for U.S. business, trade union and labor specialists, students, and other Americans who may be employing local workers in foreign countries. It is hoped that the series will also be useful to persons concerned in more general ways with labor in foreign countries.

Source material used in preparing this study included Foreign Service reports, publications of the Government of Thailand, other printed sources, secondary works, and personal observations of the author. The research was completed in 1963.

The report was prepared by Dr. Daniel Wit, Head of the Department of Political Science at Northern Illinois University, under contract with the Bureau. It was reviewed by Harriet Micocci in the Bureau's Division of Foreign Labor Conditions, William C. Shelton, Chief.

March 1964

TO  
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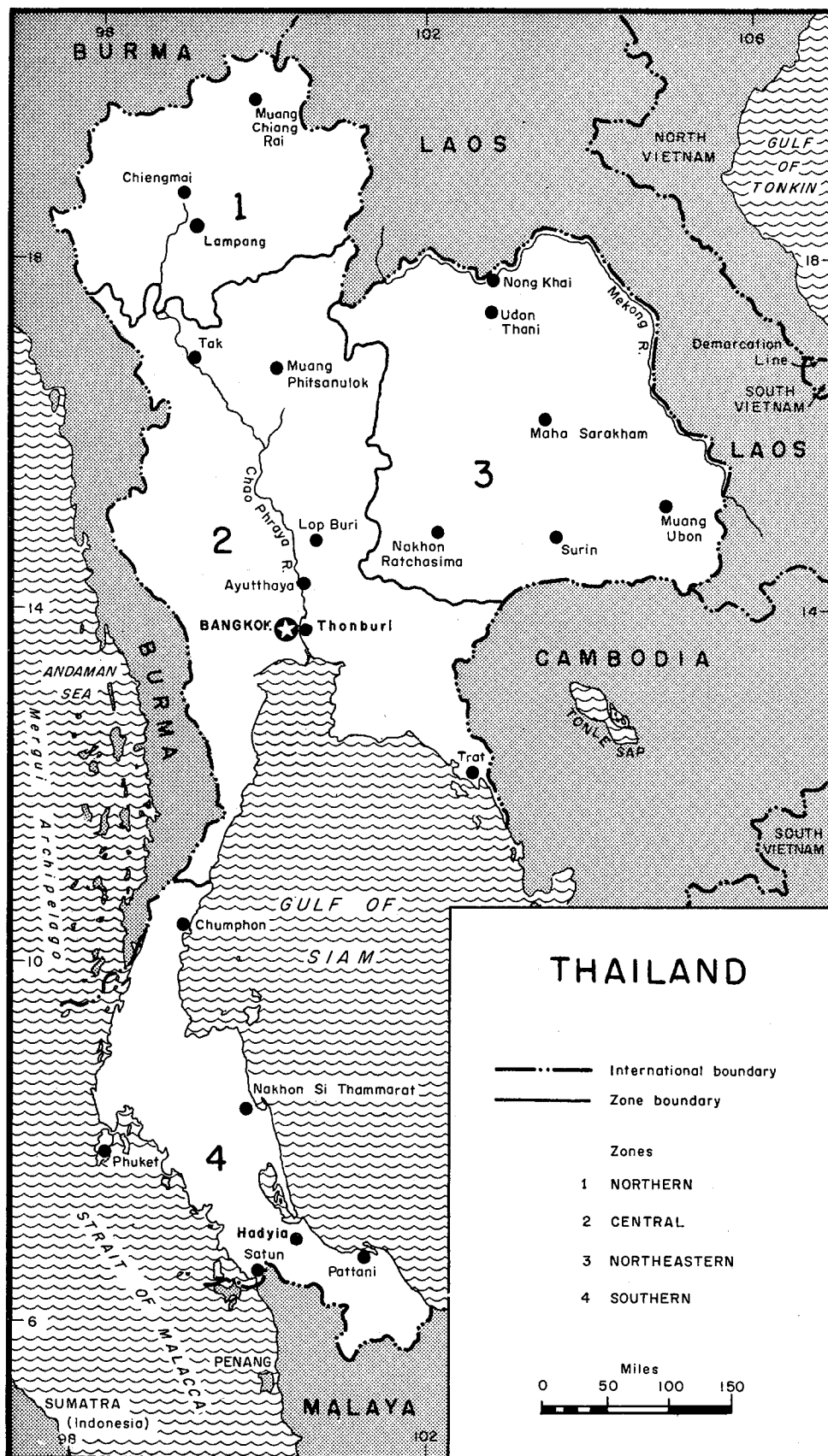
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END



# Labor Law and Practice in Thailand

## PART I. THE COUNTRY AND ITS WORKERS

### Chapter I. Introduction and General

#### Location and Area

The Kingdom of Thailand, known until recently as Siam, covers an area of roughly 518,000 square kilometers (200,000 square miles). The 1960 census reported a population of 26.3 million. (The estimated population in 1963 was almost 29 million.) Approximately 90 percent of the Thai landmass is on the Southeast Asian mainland, while 10 percent stretches down along the Malayan Peninsula which extends south into the Indian Ocean. Located between latitudes 5°30' and 20°30' N., and between longitudes 97°30' and 105°30' E., Thailand occupies slightly over one-third of the entire Southeast Asian (Indochinese) peninsula. It extends almost 1,000 miles from north to south and about 500 miles from east to west. A large portion is just a few inches above sea level.

On Thailand's eastern and northeastern border is Laos, on the southeast is Cambodia, on the northwest and west is Burma, and directly south is Malaya. Although there is no common border with China, the southern Chinese province of Yunnan is only about 130 kilometers (81 miles) from Thai territory at the nearest point, along the Burma-Laos frontier. The Thai southern border forms a 1,200-mile arc around the Gulf of Siam, which opens into the South China Sea and thereby provides the main foreign trade outlet for the country. The southwestern border, although it includes about 450 miles of rugged coastline on the Indian Ocean, lacks harbor facilities of consequence and does not constitute a significant point of contact with the outside world.

Although Thailand is the only country in Southeast Asia which was never under colonial domination, its independence has not been a result of physical isolation from the world. At various stages in Thai history, invasions have been launched from Burma, Cambodia, and Laos. Thailand is also directly accessible from Malaya. This accessibility has

made possible the migration of peoples between Thailand and all of its immediate neighbors as well as from China to Thailand; the Thai, themselves, originally moved to their present homeland from Southwestern China. However, no significant migrations have occurred since 1945 (although 60,000-70,000 Vietnamese refugees entered prior to 1954 and there have been limited numbers of Laotian refugees since 1959), and the Thais have not been moving into neighboring countries. Thailand's location therefore has no significant impact at present on its own labor supply or that of its neighbors.

#### Geographic Factors and Climate

A number of geographic and climatic factors have made important contributions to the shaping of Thai culture and economic life. Climatically, Thailand is located completely within the tropics and is affected by the monsoon winds. These winds create three distinct seasons as they sweep back and forth across the country between the Indian Ocean and the Central Asian highlands. In so doing, they also control the rice economy on which the country is dependent and thereby shape the traditional cycle of life and pattern of living.

The "rainy season" is produced by warm moist winds moving up from the Indian Ocean and Bay of Bengal in the southwest. It usually begins in late April or May and extends to October. Occasional heavy rains may also occur in October and November as a result of typhoons in the Indian Ocean and China Sea, which, however, almost never hit Thailand directly. During the rainy season with its intermittent but regularly repeated heavy showers, approximately 90 percent of the rainfall occurs in the Chao Phraya river basin of the fertile Central Plain. Bangkok, located in that plain, receives an annual average of about 59 inches of rain. The more mountainous north also receives about 85 percent of its rainfall at this time, with the western

windward slopes experiencing as much as 120 inches annually. However, some parts of Thailand receive no more than 30 inches per year and most receive little more than 40 inches. Temperatures during the rainy season are such that the mean maximum in the Central Plain is about 98° F., with times when the thermometer goes above 100° F. The minimum temperature during the season is about 80° F.

In the rainy season, rice is planted and all forms of vegetation grow rapidly. The highlands which rim the country function as a great watershed which drains into the Chao Phraya river basin. The overflowing of the river and minor flooding of some 5,000 square miles of the Central Plain contribute to the richness of its alluvial soils and agricultural productivity. (The hill peoples also begin their planting of rice and maize at the outset of the rainy season, using the wet ashes from earlier burning of brush and trees to condition the soil.) Once the rice planting has taken place, the crop's success thereafter is dependent primarily on this natural water supply, since only very simple irrigation is attempted. Nevertheless, the climate and the fertility of the soil make Thailand one of the great rice producers of the world.

When the winds reverse their course and sweep down from China and Siberia in the northeast, a dry period begins. Initially, from November to February, there is a "cool season." Occasionally, daytime temperatures drop into the seventies with night temperatures in the upper fifties.

From late February to May, there is a "hot season." Although temperatures are only a little higher than in the rainy season, the ground is parched, the canals (*klongs*) which crisscross Bangkok and the open country are often dry, and dust is everywhere. During this hot dry period, relatively little land is cultivated and both foreigners and Thais suffer from fatigue and low endurance. Air conditioning of enclosed working areas can be an important aid to worker productivity. In northern Thailand, the annual temperature variation is greater (from 40° to over 100° F.) than in the Central Plain, while fluctuation is least in the south of Thailand (68° to 95° F.). Daylight never lasts longer than 12 hours.

Thailand's historic commitment to rice agriculture with its cycle of sowing, harvesting, resting, and sowing again has molded the national existence in cultural as well as economic terms. It has molded

the Thai view of life and related values, contributed to the particular way in which Buddhism and animism are intermingled, shaped work habits and attitudes, and constituted an important element in the seeming popular contentment with prevailing social, economic, and political conditions. (See section on the National Economy.) The bountiful rice crop, moreover, has not only given the people a higher standard of living than many other Asian countries; it has also fostered a large measure of familial and communal self-sufficiency and bound the people closely to the soil. For most Thai, therefore, the simple agricultural way of life, developed in response to climate and geography, has been viewed as both honorable and satisfying. Contemporary efforts to develop a commercial and industrial labor force thus confront the problem of convincing many Thais that other types of economic activity also can be honorable and satisfying.

The fact that Thailand, geographically, consists of four distinct regions also has contributed to shaping its people's culture and industry. These regions are the North (or Northwest), Northeast (the Korat Plateau), Central Plain (the Chao Phraya basin), and the Malayan peninsula extension to the South. Each is characterized by somewhat different topography, resources, stages of economic development, and ethnic groups. Thus the *North*, as defined by the Thai National Economic Development Board for economic planning purposes, consists of about 89,484 square kilometers (60,000 square miles), subdivided into deep alluvial valleys defined by long mountain ridges which run north-south. The area is drained by the tributaries of the country's major river, the Chao Phraya. The rich soil of its valleys not only lends itself to intensive rice cultivation but also has been tilled to raise cotton, soybeans, and peanuts. Moreover, its forested mountain ridges provide the basis for an important lumber (chiefly teak) and forest products industry, while their soil now produces a very good Virginia-type tobacco. In addition, a small number of workers are employed in the North to tap its low-grade coal and lignite deposits and limited oil resources. Some livestock and poultry are raised. The region's major provincial and economic capital is Chiangmai, Thailand's third largest city, with some 50,000 inhabitants. The entire region had 5.7 million people, according to the 1960 census.

The *Northeast*, consisting of about 170,226 square kilometers (65,724 square miles), or approximately

one-third of the total land area, consists primarily of the Korat Plateau, plus those lands lying along the west bank of the Mekong river, which forms the Thai-Laotian border at this point. This region has been Thailand's most economically depressed area. Bounded on the west by rugged mountain ranges and on the north and east by the Mekong river, it has poor soils, vast sections of relatively desolate land, a long dry season and a short rainy season, as well as extremely inadequate water supply. Relatively isolated from the Chao Phraya basin heartland and the rest of the country, the Northeast has been characterized by a low level of subsistence agriculture and minimal transportation and communications facilities, even though in 1960 it contained 9.0 million people, or approximately one-third of the total population. Its longstanding local economic depression has resulted in heavy migrations of people to Bangkok and other major urban centers, where they have constituted a major element of unskilled and relatively transient labor. The population of the region is composed of Thai Korat, who reside on the plateau and are a cultural and linguistic subgroup of the Thai people, plus Thai-Lao, who are approximately five times more numerous and inhabit both the Korat Plateau and the lands immediately to the east which terminate at the Mekong river. The Thai-Lao speak a language which is distinct, although related to Thai proper. Their longstanding geographical and economic isolation from the rest of Thailand, cultural and ethnic kinship with the Lao of Laos across the Mekong, and relative underdevelopment have made them a focal point of current government concern. The Northeast has been the object of steadily mounting economic and educational effort by the Government since 1958, to alleviate distress and upgrade occupational skills.

The *Central Region* is both the economic and political heartland of Thailand. About 184,101 square kilometers (71,081 square miles) in size, the area consists of a great alluvial plain bisected by the Chao Phraya river, and crisscrossed by innumerable canals. Extending about 120 miles north from the Gulf of Siam, it contained 8.3 million people or almost a third of the nation's population in 1960, plus 25 percent of its land and 50 percent of its cultivated area. This Central Region is almost one continuous rice paddy, interrupted by villages and several regionally important urban centers

including the capital, Bangkok. It produces the great rice crop which constitutes the major national source of foreign exchange. The river banks are normally given over to mango and other fruit trees, sugarcane, vegetables, and jute. Bangkok is the hub of the region as well as the economic, political, and cultural center of the nation. The unity of all of Thailand actually depends on the integration provided by the capital and its surrounding agricultural plain. The Central Thai, who traditionally have inhabited the region, exhibit a high level of cultural and economic development. The most highly developed agricultural, commercial, and industrial labor skills are concentrated in this region.

The *South* is composed of about 20,000 square miles located on the Malayan peninsula, which juts out into the Indian Ocean from the mainland proper. It is a mountainous region with narrow valleys and a limited cultivable area along the east coast which produces sugarcane, fruit, coconut palms, rice, and rubber. The region's rubber plantations as well as its tin mines, valuable timber resources in upland forests, and recently developed coal deposits make it wealthy. Approximately 80 percent of its population of 3,271,965 people are Thai-Malay and Moslem rather than Buddhist. They retain their distinctive cultural, religious, and linguistic traditions, which are similar to those of the Malays immediately to the south in Malaysia. The Thai-Malays traditionally have engaged in subsistence agriculture, fishing, and crafts although some also are involved in rubber tapping and cultivation. A considerable number of Chinese also are engaged in rubber production, as well as in tin mining. The region's special historical background, particular resource structure, and ethnic composition are of major significance in shaping the culture and economic activities of its inhabitants, and serve to distinguish them from those of the rest of the country.

Thailand's innumerable streams and rivers, as well as the country's location on the Gulf of Siam, also have provided employment for some 60,000 persons in commercial fishing, while a major portion of the population fish for immediate consumption. Salt water fishing in the Gulf is an important and expanding industry. For further discussion of the economy and the people see also the sections on the National Economy and Ethnic Groups.



## Chapter II. Political and Economic Background

### Political Summary

Until 1932, Thailand was an absolute monarchy with total power vested in the King. Since the commoner-led coup d'etat of that year, it has officially been a limited constitutional monarchy. However, in an attempt to blend new Western-derived ideas of democracy with authoritarian traditions developed since the 13th century (when the first Thai kingdom in the present homeland was founded), six constitutions have been created and subsequently replaced. At present, Thailand is functioning under a provisional seventh constitution.

Several major historical forces have shaped the form of government since 1932:

1. The Thai people have remained firmly devoted to the monarchy and continue to revere the King as the historic symbol of the state and even, in rural areas, as a semidivine figure. The monarchical tradition, therefore, has been an important conditioning force despite the limitations on royal power since 1932.

2. The Thai tradition of centralized government remains an important force in both politics and administration. The Central Government in Bangkok is the primary source of governmental authority in the fashion of the French and British unitary states. Some efforts to expand local self-government have been made since 1955.

3. The Thai tradition of strong, preeminent executive leadership has continued to prevail. Although the King now plays a role comparable to that of a European constitutional monarch, executive power and national leadership since 1932 have remained concentrated in a small group of military commanders and associated civilian political and administrative chiefs. This has been made possible not only by the political traditions of 700 years but also by the limited political interest of the majority of the Thai, the dependence of all regimes since 1932 on military support, the increasing Communist-inspired threats to national security, and the fact that Thai leadership, though strong generally, has been able to count on popular support. There has never been a massive popular revolution against the government throughout Thailand's long history.

4. The Thai form of government since 1932 has been affected by Western concepts of democracy and modernization. Since 1932, the Thai people have been introduced to a measure of universal suffrage and popular elections for some legislators (half the national assembly customarily was appointed by the King upon recommendation of the Prime Minister until 1959; under the present provisional constitution, all are appointed). The Thai governmental structure has taken on the general form of the British parliamentary system, while Thai administrative organization and practices have reflected United States ideas suggested in the progress of the joint program of technical cooperation.

Since 1932, the Thai form of government has not changed drastically. The top leadership under the King either has come directly from among senior Armed Forces commanders or has been dependent upon their support. The first Prime Minister after the original coup, Phya Mano (a civilian), held office with military support for about 6 months. During the subsequent 32 years, senior military commanders have been heads of government for approximately 27 years, outstanding among them being Phya Phahol (1933-38), Field Marshal Pibul Songgram (1938-44, 1948-57), Field Marshal Thanom Kittikachorn (1958, 1963- ), and Field Marshal Sarit Thanarat (1959-63). Throughout the entire period, the legislative body has played a secondary role and the powers of the King have been limited. Executive leadership was changed by coup d'etat in June 1933, November 1947, September 1957, and February 1959. In 1933, the Commander-in-Chief of the Army, Phya Phahol, joined forces with the then Colonel Pibul to create a new regime. In 1947, Pibul led a military coup with the support of some civilian political leaders and reestablished himself in power by 1948. In 1957, Field Marshal Sarit, as Commander-in-Chief of the Armed Forces, overthrew Pibul; Sarit's senior army commander, then General Thanom, became Prime Minister. In October 1958, Sarit assumed personal control of the government and eliminated the previous constitutional system.

Each major successful shift in power, whether by coup or by modification of an existing regime, has led to the drafting of a new constitution whose pro-

claimed purpose has been to rectify the weaknesses of the previous system. Thus, Field Marshal Sarit's assumption of the premiership in October 1958 led to the proclamation of a new interim constitution in January 1959 which is currently in effect. The appointed national assembly since then has been charged with serving as both a legislative body and a constituent assembly responsible for devising a new permanent constitution.

Field Marshal Thanom Kittikachorn, who became Premier upon the death of Marshal Sarit in December 1963, had already served in that office during 1958 when Sarit was under medical treatment in the United States. During Marshal Sarit's premiership, Marshal Kittikachorn worked with him closely, as an original member of the 1957 coup, he has adhered to Marshal Sarit's policies.

### Governmental Structure

Under the interim constitution of 1959, the country remains a kingdom and a unitary rather than a federal state. The King serves as chief of state. To emphasize the limited nature of his role, however, it is also stipulated that sovereign power emanates from the Thai people, all laws and decrees must be countersigned by the Prime Minister or another minister, and the Council of Ministers (Cabinet) actually exercises executive power in the King's name. The Prime Minister and other ministers are excluded from membership in the Assembly and are not responsible to it. The King appoints them and may relieve them. The reality of Marshal Sarit's coup d'état of October 1958 is recognized both by the provision that "the leader of the Revolutionary Party shall discharge the duties of the Council of Ministers and the Prime Minister" and by the fact that Sarit also countersigned the interim constitution in his capacity of "leader of the Revolutionary Party." (The Revolutionary Party is not a political party in Western terms, but was the group led by the Field Marshal in his coup.) The new Prime Minister, Marshal Thanom, has assumed the same position.

The regime of Marshal Sarit undertook some modification and simplification of the executive branch. The Prime Minister is aided by an Office of the President of the Council of Ministers, which contains 23 administrative units designed to assist him. The Council of Ministers is composed of the heads of 12 ministries, all of which are organized

in the same manner. Each contains a minister's office (for policy supervision), an undersecretary's office (to supervise administration), and several departments which perform the ministry's specialized functions. Each department is headed by a director-general appointed by the King with the approval of the Prime Minister. The departments are subdivided into divisions which, in turn, contain various sections. There are also a large number of autonomous and semiautonomous agencies including some public corporations, all of which are ultimately responsible to the Prime Minister. The interim constitution authorizes the Prime Minister to take any action deemed appropriate to suppress threats to the national security, to the Throne, or to law and order. Under the present system, therefore, the Prime Minister clearly provides supreme policymaking, legislative, and administrative leadership.

The formal legislative organ of government under the current constitution is the Constituent Assembly which, until such time as it drafts a new permanent constitution, serves as the National Assembly. This Assembly contains 240 members appointed by the King, presumably upon recommendation of the Prime Minister. The King also appoints the Assembly's President and one or more Vice Presidents and is authorized to enact laws by and with the Assembly's advice and consent. The current system clearly follows the Thai tradition of emphasis on strong executive leadership, which is concentrated, in fact, in the hands of the Prime Minister.

Judicial power is vested in the Courts of Law, which exercise that power in the name of the King. Constitutional sanction is also given to judicial independence for the conduct of trials and the rendering of judgments in accordance with the law. This has been implemented through a Judicial Commission, which approves the appointment, transfer, or removal of judges. The Thai judicial system is organized in terms of three levels of regular courts, plus various special courts. Regular courts include courts of first instance, appeals courts, and the Supreme (*Dika*) Court. The laws which they administer are organized into codes which provide reasonably detailed statements covering normal forms of litigation. Special courts include those of the military, as well as an extraordinary tribunal authorized to set aside any law which is inconsistent with the constitution, although this has never been tested. This tribunal has consisted of the president

of the Supreme Court, the chief judge of the appeals court, the director-general of the Department of Public Prosecution, and three members appointed by the National Assembly. While still officially a part of the judicial structure, it has not functioned since the beginning of the government of Marshal Sarit.

As a unitary State with a long tradition of administrative centralization, the Thai Government does not provide any significant measure of autonomy to its territorial subdivisions. The actual structure of territorial administration, as of 1962, is as follows: The 71 provinces (*changwads*) are subdivided into 489 districts (*amphurs*), with 8 to 13 districts per province. There are also 34 sub-districts, 4,891 communes (*tambols*), which are groupings of villages averaging about 20 per district, and 41,389 villages and hamlets (*mubans*) composed of at least five households each. In addition, there are three categories of municipalities which total 120, and 401 sanitary districts, or incorporated lesser urban areas. The provincial governors are appointed by the Minister of Interior and are responsible to him for the administration of their provinces and the supervision of the municipalities and other urban areas within the territorial jurisdiction. Under the governor of each province there is one District Officer per district, who administers his area and also controls the subdistricts, communes, villages, and hamlets within that area. Each of the communes has a chief headman chosen by the village headmen from among their number and confirmed in office by the provincial governor. Although these village and commune headmen are not national civil servants, as are the district officers to whom they are immediately responsible, they act as agents of the central government in the performance of certain specified functions. The municipalities, although farthest along the road to self-government and under the immediate supervision of their respective lord mayors and councils, as well as their city clerks, nevertheless remain subject to fairly strong central control and tutelage exercised both by the provincial governors and the Department of Interior of the Ministry of Interior. The governing boards of the sanitary districts and lesser urban areas are under the supervision of the appropriate District Officer.

As a result of limited decentralization efforts during the period 1955-57, some restricted executive

and legislative authority was given the provinces. Each province is considered a legal entity for certain purely local government purposes and is authorized to convene a provincial assembly with the governor as chief executive officer. Nevertheless, what most characterizes the operation of the provincial administrations is the fact that each governor is responsible for the execution of all applicable national laws and decrees, as well as rules and regulations of appropriate central government agencies, in addition to supervising both the field services of those central agencies in his province and all purely local affairs. The governor is aided by a staff composed of national civil servants assigned directly to him as assistants by a centrally appointed provincial board. The municipalities, although assigned certain functional responsibilities by national laws, generally do not have independent or even significant control over the exercise of these responsibilities; the national ministries and provincial administrations most concerned are, in practice, dominant in the performance of these functions. The regular courts, likewise, are all part of a unified national judicial system.

### The National Economy

The Thai economy is basically agricultural and rice cultivation remains the heart of that agriculture. Despite this major commitment to agriculture, however, only an estimated 19 million acres of land (15 percent of the total land area) was under cultivation in 1961. The Thai Ministry of Economic Affairs estimated, as of 1959, that 63.1 percent of this farm land still was devoted to rice production despite increasing diversification, while other estimates go as high as 76.3 percent. As a result, rice's share of the total agricultural product, although it dropped from 81 percent to 62 percent between 1950 and 1961, remains great enough both to meet the present population's requirements and to provide an average annual surplus of one million tons for export. This surplus has made rice the leading export of the country, with sales abroad producing almost 40 percent of all foreign exchange. Simultaneously, the government's export duties have made it the major source of governmental revenue. An estimated 70 percent of the population gain at least part of their livelihood from rice cultivation. In addition, rice is their dietary staple, a major source of fodder, the source of the nation's beer and liquor industry, the

chief object of investment, and customary security when borrowing money, while rice husk stokes the nation's mills and furnaces. For more than a century, over half the national income has been derived from rice.

Since 1950, while rice output has been increasing at about 1 percent annually, that of all other crops combined has risen approximately 18 percent. Planted acreage of selected principal crops in 1961 was as follows:

	<i>Acres (thousands)</i>	<i>Percent</i>
Total planted.....	19,229	100.0
Rice.....	14,657	76.3
Corn.....	1,173	6.1
Rubber.....	1,027	5.3
Kenaf.....	417	2.2
Cassava.....	375	1.9

Corn now occupies the second largest number of acres and is the fourth most valuable agricultural export (on the basis of 1961 figures), although it was grown very little prior to 1950. While not used as a food grain by most Thais, it is increasingly used as feed for livestock. Similarly, jute and kenaf (a recently developed substitute for jute) now contribute about 6.4 percent of total export value, while cassava flour's mounting export importance is indicated by the fact that it provides 4.4 percent of total export value. The 1961 export value of the selected principal commodities shown above is given below:

	<i>Value of export (millions of baht <sup>1</sup>)</i>	<i>Percent</i>
All exports.....	9,732.0	100.0
Rice.....	<sup>2</sup> 3,638.7	37.4
Rubber.....	2,130.0	21.9
Jute and kenaf.....	626.5	6.4
Corn.....	597.0	6.1
Cassava.....	427.2	4.4

<sup>1</sup> 1 baht=US\$0.05.

<sup>2</sup> Does not include rice flour.

Rubber, although covering only 5.3 percent of total planted acreage, is the second most lucrative export, representing almost 22 percent of the value of total exports and producing work for an estimated 60,000 persons. Rubber exports have been averaging about 100,000 tons per year. Thailand also has become self-sufficient in sugar in recent years, produces sufficient tobacco to support a significant government tobacco industry, and raises some kapok, cotton, peanuts, and various beans. Moreover, tropical fruits and vegetables are grown, and increasing numbers of livestock (particularly cattle and hogs) are being raised as export potential.

Agricultural diversification is expanding, therefore, with the active support and encouragement of the government. This trend is related to the steady movement from a subsistence to an exchange (cash) economy. While progress has been slow, it provides evidence of the Thai farmer's cultural capacity to emerge from his traditional forms of economic activity when introduced to new agricultural opportunities. The newer agricultural exports, excluding rice and rubber, now constitute, collectively, approximately one-fourth of the nation's exports. As of 1962, Thailand had become the leading Asian exporter of agricultural foodstuffs.

Such diversification and expansion of agriculture, with associated introduction of new planting and harvesting periods, also have tended to reduce rural seasonal unemployment and increase the effective use of the agricultural work force. More double-cropping has been tried, and the planted area has increased an estimated 25 percent, while total agricultural productivity has been increasing at about 4 percent annually. Thai agriculture, on which the national economy still heavily depends, is becoming less dependent than formerly on the international market price of rice.

An estimated 85 to 89 percent of all Thai farmers own their own land. Their holdings account for almost 90 percent of all cultivated areas. Average landholdings per family rarely exceed 10 acres. The relatively few Thais who farm rented land usually pay their rent in kind at the rate of approximately one-third to one-half the average rice harvest.

Despite still inadequate capital and credit facilities, Thailand's rural residents, who constitute most of the population, lead an independent existence based upon generally favorable climate, soil, and natural resources. The agricultural segment of the economy, even in quasi-subsistence terms, has been capable of maintaining a way of life which most Thai have regarded as secure and satisfying. Thai political stability has been rooted in this general outlook. Nevertheless, the steady growth of population suggests the possibility of future economic difficulties. Observers have pointed out, for example, that unless there is significant expansion of rice production above the relatively small 1- to 2-percent annual increase of recent years (and this will require increased intensification of cultivation since rice acreage is dropping), Thailand may cease to have an exportable rice surplus within the next 2 decades and

even confront domestic shortages. It is with this in mind as well as because of a desire to lessen the economy's dependence on rice still further, that the Thai Government is seeking to modernize, expand, and diversify the country's agricultural production.

Approximately 75 million acres of land, or 59.3 percent of the total land area, are forested; most of the remainder other than the cultivated areas is jungle. The nation's extensive forests, which predominate along the mountain ridges of the north and northwest, provide teak (third in value of exports) plus such special woods as ebony and rosewood. Timber exports currently amount to about 70,000 tons per year. The forests also provide various resins, gums, and tree oils, as well as lac (from which shellac is made), pulpwood, firewood, and charcoal. Forest products are, therefore, a significant component of both the domestic economy and foreign trade.

Fish (including shellfish) are another major natural resource, and fishing is second to farming as a basic industry. Fish are obtained from ocean outlets like the Gulf of Siam and from the many canals, backwaters, and ponds. Fish is a leading item in the Thai diet and provides most of the population's protein intake. It also offers possibilities for significant commercial development.

Thailand's known mineral resources are limited, but offer possibilities for expanded mining and some local industrial development. Tin is the primary mineral resource, found mainly in the South where it is mined almost entirely for export (about 18,000 tons annually). It was the fourth greatest producer of income from foreign trade in 1961. There are also low-grade coal deposits in the North and in the Southeastern coastal highlands; wolfram in the western mountains; reasonably high-grade iron ore deposits near Lop Buri in the Central Plain (and a small local steel industry), lignite deposits in both the North and South, scattered oil shale resources, and some oil reserves, both in the Chao Phraya basin and in the North, which make possible a limited petroleum industry. Mining operations are relatively small in size, however, and are in need of additional modernization.

Most important manufacturing in Thailand is conducted by numerous government enterprises, among which are the Thai Tobacco Monopoly, the Thai Cement Company, the Thai Sugar Company, and the Glass Organization. There are also government-owned distilleries, tanneries, weaving factories,

textile mills, sawmills, and furniture factories. The Thai Government operates the modern Port of Bangkok, the State Railways, railway construction facilities, the electric power plants, and the water supply systems. Privately owned factories, for the most part, have been concerned mainly with the production of light consumer goods. Thai industrial and manufacturing organizations are still relatively small; a 1957 World Bank survey indicated that only 2 percent had more than 50 employees each. The Thai Ministry of Economic Affairs has estimated that manufacturing's share in gross domestic product was 13.8 percent in 1960.

The Thai Government traditionally has had an important role in the economy, and its role has been expanding to provide leadership for agricultural diversification as well as the development of the nonagricultural sector. In addition, the present Government has been waging an active campaign to stimulate the growth of private industry. As part of the current 6-year economic development plan, therefore, not only private domestic but private foreign investment is being encouraged, with results such as the addition during the last few years of a new Ford Anglia automobile and truck assembly plant, a Japanese Toyota automobile assembly plant, a Mitsubishi car and tractor assembly plant, a Firestone tire plant, and a Rayovac battery plant. Apart from the contribution of such modern industrial firms to the productivity and diversification of the industrial sector, additions of this type also have contributed significantly to the steady upgrading of labor skills. While neither an agricultural nor an industrial revolution has yet taken place, the Thai economy is steadily expanding and modernizing its manufacturing sector and related labor force. As a result, industry's share of the gross national product, from private and public enterprise, was estimated by United Nations sources in 1959 to be 19 percent.<sup>1</sup> Corresponding ratios for selected countries were:

	Percent
Japan.....	35
Taiwan.....	26
Philippines.....	22
Burma.....	17
India.....	17
Ceylon.....	15
Pakistan.....	12
Indonesia.....	10

<sup>1</sup> Among these sources was the Economic Commission for the Far East (ECAFE), *Economic Survey for Asia and the Far East* (New York, United Nations, 1959).

Since 1953, all forms of transportation have been improved. Hitherto isolated areas have been linked to Bangkok and the international market, thus lessening the quasi-subsistence character of their local economies. Under a new 6-year development plan begun in 1961, the government hopes to achieve even greater expansion of the transportation system.

The State Railways of Thailand organization is the largest single employer in the country. Approximately 23 airlines also utilize Bangkok's modern Don Muang Airport, the major international airport of Southeast Asia. In addition, Thai Airways, a government corporation, provides air links to the major regions and most important urban centers within the country.

The Thai road and highway network is undergoing improvement and expansion as part of a special 5-year plan to construct an additional 3,000 miles of main highways and 5,000 miles of provincial roads. Special attention is focused on the Northeast. Thai-American technical cooperation has resulted in the construction of a major all-weather highway from Bangkok to the Northeast, road construction efforts elsewhere, and significant improvement of roads and streets within Bangkok.

The rivers, streams, and canals of Thailand are a basic means of communication and transportation for the great majority of the population. Water transportation is cheap, easily accessible in economically vital areas, and a primary means by which a major portion of the agricultural and forest products are moved into regional and national markets. Modernization of this form of transport has been progressing with the development of motor power.

Although the Thai economy is still largely one of semisubsistence agriculture, it is heavily dependent on international trade; exports in 1957 constituted 21.7 percent of the gross national product and imports 23.1 percent. Export of agricultural products and raw materials produces foreign exchange to pay for imports of a wide variety of consumer

goods and light capital equipment. World prices for rice, teak, rubber, tin, etc., which in recent years have been lower than in the 1950's, have caused an adverse balance of payments of approximately \$50 million per year. Annual exports to the United States have averaged about \$50 million, or 18 percent of Thailand's total exports; annual imports from the United States have averaged about \$40 million, or 12 percent of the country's total imports. Inflation and rising prices have been limited chiefly to urban areas.

The Thai gross national product (\$2.3 billion in 1960 compared to \$1.3 billion for Burma, \$2.6 billion for Malaya, and \$4.8 billion for the Philippines, according to United Nations sources) is increasing at about 7 percent annually. The Thai tax structure has been studied for a number of years, both by Thai Government agencies and by co-operating American technical assistance advisory groups, which have generally emphasized the need for a significant reorganization because of heavy reliance on export and import duties. Although the average Thai farmer pays almost no direct taxes, data from these studies indicate that he receives only about 28 percent of the value of his exported rice because 50 percent goes to the government in the form of export taxes and another 22 percent is received by middlemen.

Through United States economic and technical cooperation programs in Thailand, \$221.8 million were made available to Thailand in the form of grants and \$68.9 million in the form of loans for a total of \$290.7 million, counting amounts provided between 1951 and 1962, and \$6.2 million in loans in 1946-48. The total economic aid committed for fiscal year 1962 was \$33.9 million, according to the U.S. Agency for International Development. From 1946 through June 1963, economic aid has totaled \$367.7 million according to the U.S. Department of State.

## Chapter III. The People and Their Culture

### Ethnic Groups

Thailand is inhabited by a composite of different ethnic groups of which the Thai people today constitute more than 80 percent. They thus form the population base and provide the nation's cultural unity. It is believed that long ago they originated in central Asia, prior to movement south of the Yangtze River. They were first noted in Chinese annals as inhabitants of the valleys and mountains of southwest China. Though millions of Thai still remain settled in southern China, migration into the Southeast Asian peninsula began over a thousand years ago; this became a great mass movement because of the Mongol conquest in the 13th century of the Thai kingdom in south China. Since that time, the great bulk of the Thai peoples have been located within their present geographic confines, although expansion to the existing borders of the south and east occurred primarily after the 17th century. Related, though less developed, Tai (as distinct from Thai) tribes also inhabit the northern mountain region of Laos, as well as hilly areas in Viet-Nam. The Laotians are a branch of the greater Thai ethnic family.

The Thais reveal, for the most part, a mixture of Indonesian and south Chinese physical characteristics. A great range of physical types and historic intermingling of peoples throughout all of Southeast Asia, however, make it exceedingly difficult to distinguish the Thais, in appearance, from the Malayan, Cambodian, Burmese, Indonesian, or Laotian peoples.

Within the Thai group there are a number of ethnic subgroups whose fundamental identity with the whole is more important than their differences; that identity is increasingly promoted by the development of mass education and communication, and by effective central administration. Differences which can be noted, however, include the following: (a) The "central Thai," who inhabit the Chao Phraya basin and part of the southern peninsula, speak the "King's Thai" (see Language section below). They are observed to be more commercially, industrially, and culturally advanced than their fellow countrymen, tend to be more sophisticated than the upcountry Thais, and, on the average, also tend to be about an inch taller. (b) The "northern

Thai" (*Thai Yuan*), who inhabit the north central and northwestern sections, are characterized by certain differences in dialect and, within this group, the traditional inhabitants of the Chiangmai area are regarded by the "central Thai" as lighter in complexion. (c) In the northeast is located a third small subgroup consisting of those Thai who occupy Korat Province (*Nakorn Ratchasima*) on the plateau. (d) In this same northeast area is also located a fourth large subgroup, an estimated 7 million Thai-Lao who occupy most of the Korat Plateau and land west of the Mekong river boundary with Laos, where they work in forestry and at subsistence farming. They have a distinctive but related language, many of whose words are not understood by the "central Thai," and generally are viewed by Bangkok citizens as less sophisticated than themselves. These Thai-Lao are a part of the Lao people who dominate the neighboring country across the Mekong river. They constitute a substantial part of Thailand's migrant labor force, providing a large portion of the labor for the big rice farms in the central region and on the rubber plantations of the southern peninsula.

In addition to the Thai and their subgroups, all of whom have throughout history maintained their common cultural identity while absorbing many conquered peoples, there are several important native minority groups:

	Number
Thai-Malay .....	800,000
Thai-Islam .....	128,000
Cambodians .....	160,000-400,000
Soai .....	144,000
Phuthai .....	70,000-100,000
Mon .....	60,000-100,000
Karen .....	60,000-90,000
Shan .....	30,000

The Thai-Malay constitute 80 percent of the population in the four southern provinces bordering on Malaysia. They are Moslems, and differ from the Buddhist Thai not only in religion, but in culture, behavior, and ethnic origin. They speak Malay, are culturally affiliated with the neighboring Malaysians, and are essentially unincorporated into Thai society in all respects except the governmental. The other one-eighth of the Moslem population in Thailand, the Thai-Islam, are scattered in small

clusters throughout at least 24 of the provinces. They regard themselves as Thai, and are so regarded by others. Except for the difference in religion, they have become almost indistinguishable from the Thai and are fully incorporated into the communities where they live.

The Cambodian minority are located primarily in those areas bordering Cambodia and differ from the Thai primarily in their native language, Khmer. Many Soai, related to the Cambodians, are found in eastern and northern Thailand. Their language is related to Mon-Khmer, their social structure is quite different from the Thai, and their religion includes animistic non-Buddhist elements.

The Phuthai are a Thai-speaking group of the northeast. Other non-Thai lowlanders include the Mon, who speak Thai as well as their original Mon-Khmer language. They are related to the Mon found in Burma. Of the hill tribes, the Karen also are related to a people across the border in Burma. They remain completely separate from the Thai in their hill country of the northwest. They are not wholly under the authority of the Thai Government, both because of the wild region in which they live and because of their relatively free movement back and forth across the Burmese border. The other important tribal people, the Shan, are concentrated in the Chiangmai hill area. They are generally similar to the Thai in customs, but are ethnically a part of the people occupying the Shan States of Burma.

The primary alien ethnic groups in Thailand (in citizenship and/or culturally) and the number holding foreign citizenship, according to the 1960 census, are shown in the following tabulation:

<i>Ethnic group from—</i>	<i>Number</i>
China.....	409,508
India, Pakistan, Ceylon.....	6,694
Viet-Nam, Cambodia, Laos, Burma, Malaysia..	45,002
Europe and United States.....	5,043
Other countries.....	4,433

The ethnic Chinese, who entered Thailand chiefly during the years 1900 to 1930, now comprise about 3 million persons or nearly 10 percent of the total population. Since 1947, immigration has been strictly limited to national quotas of 200 each. The Chinese dominate in many skilled and commercial occupations. About half are concentrated in the Bangkok and Chao Phraya central region, with a second large group located in the tin and rubber

area of the north. They compose about 50 percent of Bangkok's population. Their numbers and commercial and financial acumen make them the most important of the ethnic minorities. Only 409,508 Chinese were actually foreign-born citizens, according to the 1960 census; the rest technically had Thai citizenship through birth. Most of them, however, customarily speak Chinese, follow Chinese customs, view themselves as distinct from Thai society, and are regarded in large measure by the Thais as foreigners. Despite this fact, however, a considerable rapprochement has been made and Chinese assimilation has been increasing steadily. A considerable number of Thai leaders have some Chinese ancestry.

Until World War II, the Chinese constituted about 80 percent of nonagricultural labor in Thailand. Since the Thais preferred agriculture, an ethnic occupational division developed. In 1957, however, restrictions based on a Royal Decree of 1949 specifically prohibited employment of aliens in rice cultivation, saltmaking, forestry, the production and distribution of charcoal, the marking of ice, soft drinks and syrup, taxi driving, barbering, the making of lacquer and niello ware, and Thai-language printing plants. However, in view of the division of labor normally preferred by both the Thais and Chinese, and the important economic contributions of Chinese labor, these restrictions have not been strictly enforced except where Thai and Chinese occupational interests are definitely opposed. The chief result of such legislation probably has been the increased attractiveness to younger Chinese of Thai citizenship. In 1963, the ethnic Chinese constituted between 60 and 70 percent of nonagricultural labor and an even higher percentage of skilled labor in Thailand. They are concentrated in the rice mills, sawmills, and other factories, rubber plantations and tin mines, and make up a large proportion of the masons, carpenters, tailors, and artisans.

There are an estimated 60,000 persons of Indian origin living in Thailand, although only some 12,000 are listed separately in Thai figures since the remainder are Thai citizens. The Indians tend to maintain a completely separate existence and are concentrated in Bangkok and other major urban centers. They customarily specialize in certain specific occupational fields; they constitute an important group of textile, jewelry and metalwork



merchants, moneylenders and moneychangers, and also dominate the supplying of milk for Bangkok's ice cream industry. Those Indians who are of lower caste than the businessmen, or of a different ethnic subgroup, commonly work as nightwatchmen, guards, and taxi drivers.

The Vietnamese in Thailand are primarily refugees from the Indochinese War which ended in 1954. Some 6,000 of the 8,000 who are longstanding settlers are engaged in agriculture in southeast Thailand. Many others, concentrated in the north-eastern provinces, have in the past 10 years been either resettled by the Thai Government away from the borders of Laos and Cambodia as rice farmers and agriculturalists or evacuated to North Vietnam.

The Westerners resident in Thailand during the past few years (most of whom are concentrated in Bangkok) have numbered between 3,000 and 5,000, of whom an estimated 1,000 have been U.S. citizens. They are of considerable importance in the business and financial world, engaging in import-export, insurance, banking, shipping, soft beverage bottling, and light manufacturing activities. The governments of Marshal Sarit and Marshal Thanom have actively promoted new foreign investments. Westerners have, in a limited number of cases, intermarried with Thais.

The values and attitudes of Thai culture and religion minimize the possibility of tensions deriving from ethnic differences in work situations. Nevertheless, Thai cultural and national pride is manifested to a degree in work situations by an often expressed worker desire to see some Thais in positions of managerial authority.

## Language

The traditional language of the Thai ethnic majority prevails throughout the country. It is phonetically related to the Chinese but its written form is derived from the Khmer (Cambodian) alphabet which in turn stems from the ancient Sanskrit of India. Thai is spoken in three major dialects—northern, central (Bangkok), and eastern—which provide no real communication barriers. The central dialect, known as the "King's Thai," is the standard and literary form for the country and, traditionally, has been known as Siamese in the Western world. It is spoken by approximately 13

million persons. Northern Thai is spoken by about 2.4 million persons in the north, central, and north-western parts of the country, while the eastern Thai dialect is spoken by some 1.7 million in the Korat Plateau region. The Thai language proper, therefore, is spoken in one of its three primary dialects as a first language by approximately 60 percent of the population. In addition, it is the common second language for all other resident ethnic minorities, except possibly Westerners. The 1960 census estimates indicated that 97 percent of the population, 5 years of age or over, could speak Thai.

Lao, spoken by the Thai-Lao in the northeast, is a distinct though related language sufficiently different from Thai to be regarded as not just another dialect. Lao has six recognized dialects and is spoken by about 7,000,000 people, or about 25 percent of Thailand's population. Because of the linguistic relationship, the Thai-Lao speak both languages.

Apart from the tribal languages of the various hill peoples, the other significant languages spoken in Thailand are Chinese, Malay, and English. Estimates indicate that about 3,000,000 persons habitually speak Chinese, which would rank it third numerically after Thai and Lao. Chinese is spoken in several southern and southeastern dialects according to the sections of China from which the immigrants come. Mandarin is used increasingly among the educated Chinese and is taught in the Chinese private schools. The various Chinese regional dialects are also maintained, however, through regional language associations which provide aid and recreational facilities, support education, and publish newspapers for their members. Regional Chinese dialects are also directly related to the particular occupations in which the Chinese are involved. Teochiu, for instance, is used among the Chinese in the rice trade, insurance, rubber manufacturing, and a number of other occupations. The Bakka dialect is spoken by a great majority of leather and tobacco manufacturers, while Cantonese is used by most restaurant owners, Hainanese by sawmillers, and Hokkien in the rubber and tea trades. The Teochiu speakers are becoming increasingly important as the members of the Chinese community most closely associated with the Thai governmental, business, and cultural leaders. Members of the Chinese commercial groups in Bangkok, moreover, are frequently able to speak English as well as Thai.

Malay is used by about 800,000 members of the Malay ethnic group, concentrated chiefly in the four southern provinces of Thailand. Since Malay is the predominant language of trade in these provinces, and most Malay know very little if any Thai or Chinese, both the Thai and Chinese (or any other) businessmen of the region need some knowledge of basic Malay.

The only Western language widely known in Thailand is English, although some highly educated Thai also know French. Almost all high school graduates have had 6 years of English in fulfillment of the foreign language requirement. Among Westerners, English is the common international language. It is also used by them in dealing with members of the Government and local leaders of commerce, trade, and industry. English can be employed in dealings within the international business community and with members of the Chinese and Thai educated groups. Nevertheless, this does not mean that English is a practicable substitute for Thai or that a foreign organization could function using only English. Local managerial and white-collar employees with English-speaking qualifications can be found, although they are not numerous. The lower income groups, particularly in rural areas, are least familiar with English; workers drawn from these groups must be supervised in their own language. However, English language facility is uniformly recognized in the great urban centers, and particularly in Bangkok, as being associated with higher paying jobs. As a result, there is widespread interest in learning it, and a number of private English language schools exist.

### Religious Groups

Approximately 94 percent of the population of Thailand are Buddhists. The Thais, Thai-Lao, and Thai-Cambodians belong to the Theravada (sometimes referred to as Hinayana or "Little Vehicle") branch of Buddhism. It is the official religion. State and church are united, official ceremonies customarily include blessing by the priests, and the Thai people make large voluntary contributions in both cash and kind to support the faith.

The rural population of Thailand, and the lower income majority in the urban centers, mingle traditional Theravada Buddhism with pre-Buddhist

animism and spirit worship. Even some Buddhist priests accept these modifications, performing ceremonies to exorcize evil spirits and giving astrological advice. However, many educated Thais in urban centers have become adherents of a so-called neo-Buddhism which seeks to emphasize the Buddha's original teachings and eliminate superstition. Their manner of observance also tends to give Buddhism a less ritualistic composition.

With its emphasis on moderation, nonviolence, and individual pursuit of salvation through intellectual and spiritual enlightenment, Theravada Buddhism does not lead to antiforeign attitudes or discrimination against other religious beliefs. Inter-marriage is not prohibited and is fairly frequent. Theravada Buddhism places no positive restrictions on work activities. However, it affects work situations in that it fosters voluntary contributions of labor to support and maintain the temples, has certain important holidays, and that many Thai youths enter the clergy for a few months at about the age of 20. Buddhism's great importance in shaping Thai behavior, therefore, lies in its contributions to Thai culture and values rather than in its restrictions and limitations.

Theravada Buddhism is nonauthoritarian and nondogmatic; the priests serve primarily as teachers and counselors. The religion emphasizes the possibility of man's escape from the suffering and misery of life, which the Buddha felt to be rooted in human desire and greed, by efforts at self-mastery and acts of love, charity, moderation and peace. Leading a moral existence or, in popular terminology, "making merit," constitutes the basis for eventual salvation and the attainment of Nirvana (as close as Buddhism comes to the concept of heaven). Believing in reincarnation, the Buddhists feel that each new existence will constitute either an improvement or a worsening of an individual's current condition depending on the life he has been leading.

From these religious beliefs stem some basic differences between Thai and Western cultures, particularly in regard to the definition and the pursuit of worldly success. Thai Buddhists enjoy material things but in the past they have been disinclined to place maximum emphasis on them or relate their attainment primarily to labor. Their religion offers hope for a better future existence to all distressed people. (See further in Social Structure and Culture Patterns, p. 15.)

Thai Buddhism is a vital element in the lives of the people. In the villages, most social existence is organized around the *wat*, or temple. The Buddhist priests are revered, and accorded a place in society second only to that of royalty. Since they live their lives in accordance with Buddhist precepts, they provide a high moral example.

The Chinese minority more or less consciously retain the mixture of Confucian social ethics, formal veneration of ancestors, Mahayana Buddhist doctrines and Taoist supernaturalism characteristic of the popular religious tradition in China. Religion appears to play a less important role in the Chinese community than in the Thai, and Chinese religious beliefs appear to put greater emphasis on the accumulation of material wealth, and less on non-violence. More Chinese than Thai become converts to Christianity.

Thailand's 1,025,569 (1960) Moslems composed the largest non-Buddhist minority. Most are ethnically Malay and are concentrated in the South; very few Thai have been converted to Islam. Those Moslems who are not of Malay ethnic origin (the Thai Islam) and who live in Buddhist communities throughout the country generally have no religious or other conflict with their Buddhist Thai neighbors. This would indicate that religious conflict is not a problem in the labor force. However, Moslem dietary restrictions, daily prayer periods, and observance of Ramadan (a 30-day period of daytime fasting) may require recognition in the job situation. The occurrence of Ramadan—9th month in the Mohammedan year—during the "hot season" further aggravates the physical and emotional stress which tends to prevail at this time.

Though for over a century there have been active Protestant and Catholic missions in Thailand, there were only about 150,000 Christians (0.6 percent of the population) in the country in 1960. The Christian missions have made their greatest contribution in the educational, social welfare, and medical fields. Hinduism is concentrated in the Indian community.

### Minority Group Problems

Thailand is confronted by several minority group problems. Foremost among these is the role of the large Chinese ethnic group. The Chinese are a dominant force in finance, industry, banking and insurance, mining, export-import wholesale and

retail operations, and, most importantly, in the milling of rice. The fact that about 80 percent of all rice mills are operated by Chinese, together with their influence in other financial and commercial areas, means that they exercise a large measure of control over the country's economic life. Their ownership-management role is supplemented by their preponderance for more than a century in the non-agricultural labor force; nine-tenths of the skilled workers in these categories are Chinese.

Though the Chinese in Thailand appear to have avoided trying to extend their influence openly to any other phase of Thai society, their economic position, combined with Thai uncertainty as to the strength of Chinese ties to the country, has produced various types of tension. Thai concern about national security is based upon estimates of Communist infiltration of the Chinese community.

On the other hand, the long Thai history of independence and the resulting development of a professional bureaucracy have tended to assist the Thai Government in dealing with the Chinese minority problem. A foundation is thereby provided for a working relationship between Thai governmental and Chinese economic leaders. In fact, many Thai leaders have Chinese business partners or financial advisers. Moreover, there is a noticeable tendency on the part of second- and third-generation Chinese to intermarry with Thais and become assimilated, thereby lessening ethnic tensions.

The Thai-Lao ethnic component also has caused mounting security concern. Constituting approximately 25 percent of the total population, heavily concentrated in the Northeast along the Thai-Laos border, the Lao of Thailand are far greater in number than the Lao of Laos. With Communist control established over much of Laos, and the Thai-Laos border consisting of the easily traversable Mekong river, the Thai Government is concerned about possible Communist infiltration. In consequence, the Thai Government has intensified its efforts to develop the Northeast economically and to integrate it more closely with the nation in cultural and economic terms.

The Thais tend to regard the Indians as not being involved as far as the Chinese in functions vitally affecting the economy, and therefore as more transient in influence. No special restrictive legislation is directed at them since they are not viewed either as serious economic competitors or as a security threat. In the case of the small number of

Westerners, there also is no serious problem in relationships with the Thais. Thailand was never a colony of a Western power, and the Thais therefore have no basis in nationalism for resenting any particular Western nationality. As a result, considerable emulation of Western ways (particularly in upper class circles) occurs in the major urban areas. A limited resentment of Westerners by some individual urban Thais, which has developed in recent years, derives primarily from such nonideological and nonracist attitudes as the feeling that Westerners have been responsible for increasing the local cost of living or that they isolate themselves too much.

The Vietnamese, though presenting no serious economic problems to the Thais, have been dealt with in recent years as a limited security problem. A significant number of the Vietnamese nationals who fled from Laos and Cambodia during the Indochinese War were Communist-oriented. The Thai Government has been sending them to North Viet-Nam, while some of those Vietnamese who have remained in Thailand have been undergoing resettlement away from the border areas.

The 20 hill tribes or more, located mostly in the North, also provide the Thai Government with limited administrative and security problems. Their "slash and burn" agricultural practices are wasteful of forest and water resources. One of their principal cash crops is the poppy, despite Government prohibition, and the illegal opium trade is very difficult to stamp out. Finally, their alienation from the Thai culture, and their ethnic relationship to similar groups in Burma, Laos, and China, lay them open to possible Communist infiltration. As a result, the Thai Government has begun a program to draw them into the Thai society. A special border police patrol is responsible for border security in sensitive areas such as those in the North, Northeast, and South.

In that part of Thailand which extends along the Malayan peninsula, approximately 80 percent of the inhabitants constitute a distinct national minority group. As ethnic Malays, these people are oriented through both culture and religion to the south rather than toward Bangkok. There have been some indications of local support for a movement to incorporate the four southern provinces into Malaya. In March 1961, for example, Thai police authorities reported that leaflets supporting secession were distributed in the region.

## Social Structure and Culture Patterns

A basic social, economic, and cultural division exists in Thai society between the rural and urban areas. In the rural areas, which contain about 85 percent of the Thai people, society is largely "classless." Almost 90 percent of Thai farmers own their own land, and there are relatively few tenant farmers or farm laborers. Rural society, therefore, is composed chiefly of small independent farmers; there is little evidence of extreme wealth or poverty.

The absence of any elaborate and stratified socioeconomic groupings in rural Thailand, however, does not mean that important differences are absent. Such differences exist, but they are social rather than socioeconomic, and are individual rather than family. First among the determinants of social status is age, which is accorded great respect as connoting a certain wisdom born of experience with life. This colors all relationships. Second, although women are not kept in isolation, and have a strong social and economic position, Thai society traditionally accords men certain types of respect which are based, at least in part, on the fact that only a man can acquire the great prestige which goes with entry into the Buddhist clergy. Third, special honor is accorded Buddhist priests as well as men who have been either priests or novices. Fourth, occupation is important. In rural areas, rice farming carries high prestige. Wealth becomes a factor in this connection only to the extent that the wealthier farmers normally have a more important voice in village affairs, since they are regarded as more responsible and generally more meritorious (because their ability to engage in Buddhist acts of charity is greater). The local headmen will normally be drawn from among their ranks. Nonetheless, among the villagers, the wealthy farmer who has had no religious service may rank well below the poor man who has been a priest. Fifth, individual personal skills (e.g., rice cultivation, ability to build small dams, to fish, etc.) offer opportunities for prestige to the poorer rural Thais.

Within Thai rural society are a number of social groupings of which the most important are the family, the village community, and various reciprocal work groups. The conjugal family—a husband, wife, and their children—is the primary unit. However, it normally is part of an extended group which may include married children, aunts, uncles, grandparents, and even friends' children who are attending

a school away from home. All may live together in one great house or in several houses enclosed within a single compound. The head of the household bears some responsibility for supporting all members in economic need living in such proximity, but contributions of labor and money are accepted from the others. Kinship is defined by special designations which indicate the person's junior or senior status as well as to which side of the family he belongs. If no more than 8 acres of land are owned, the family normally constitutes a self-sufficient work unit. Larger family landholdings usually require additional assistance, obtained through reciprocal work arrangements with neighboring families or with friends in other parts of the village. Although in areas of intensive rice cultivation, such as are found around Bangkok, wage and tenant labor have tended to replace these reciprocal work arrangements to some extent, the numbers of people involved in new work patterns are still negligible.

The Thais are not ancestor worshipers and the family tie is largely personal and contemporary rather than traditional. When children reach maturity, they often form their own households. The 1960 census estimated an average of 5.6 persons per private household. Marriages may be entered into on the basis of official registration and a formal religious ceremony and wedding feast, or may result from common law union.

The intermediate-sized provincial towns of Thailand reveal much the same homogeneous social structure as do the villages, with one important exception: the Central Government officials who administer the province, district, and towns from these small urban centers constitute a select group, beneficiaries of the traditional prestige accorded the agents of the King of Thailand.

The major urban complex in Thailand consists of Bangkok with its twin city of Thonburi. Because of Bangkok's dominance, its residents tend to have higher social prestige than individuals of similar wealth and occupation elsewhere. Bangkok sets the nation's tone and standards.

In contrast to the rural areas, Bangkok society has a fairly elaborate social structure, composed of five groups. These are not true social classes, however. As in the United States, there are great social mobility and blurred social distinctions among the broad groupings. However, the gap between the extremes of wealth and poverty is very great in Bangkok, while the middle income

groups are still relatively small. Moreover, in the capital, the determinants of status combine both traditional Thai and Western factors. These determinants include education, political power and governmental position, wealth, family background and connections, values and attitudes.

The five groups distinguishable in Thai urban society are the aristocracy (descendants of the royal family and hereditary nobility); a new "commoner" leadership group (composed of the top political, civil service, military, professional, and business leaders); the upper middle group (composed of intermediate civil servants, professionals, teachers, merchants, small businessmen, and white-collar workers); a lower middle group (overwhelmingly Chinese and composed mainly of craftsmen and skilled laborers); and a lower income group (unskilled laborers, peddlers, domestic help, etc.). The King is above all groups, and the Buddhist clergy have an especially high position outside the regular secular structure. Though Chinese and Thai ethnic communities are distinguishable, both extend through all groups except the aristocracy (which is exclusively Thai) and the senior civil and military bureaucracy (also Thai) within the top commoner group. A distinction exists, however; the Thais tend to reach high status and income through political power or bureaucratic position (civil and military), while the Chinese, with no direct political participation or senior governmental posts, gain entry on the basis of economic position. No ethnic groups other than the Thai and Chinese have a comparably elaborate social stratification. Westerners, however, associate with groups at the upper levels among both the Thai and the Chinese.

Apart from the major ethnic minority groups (Chinese, Malay, and Western) with their different cultures, the Thais are unusually homogeneous. Traditional beliefs and modes of living persist relatively intact in rural Thailand. Nevertheless, in the urban areas and particularly in Bangkok, certain Western ideas have been integrated into these patterns, selectively. The rural-urban distinctions in social structure as well as occupational distinctions thus are duplicated in the area of social values.

There are a number of basic values which may be singled out for emphasis in analyzing Thai behavior. One such element, or complex of related elements, is Buddhist morality. As interpreted by the Thais, the key to this morality is "meritmaking." Merit is gained primarily from such evidences of charity as

providing priests with food each morning, contributing money or free labor to a *wat*, enrolling as a monk or novice at least for a limited time, and loving all living things—or at least avoiding intentional violence to them. Meritmaking thus is intended to represent a middle path of ethical moderation between the extremes of self-indulgence and self-mortification.

A second basic constituent of the Thai value system is emphasis on the enjoyment of life. All manner of occasions, religious and secular, are the basis for festivals, entertainment, and dining. The Thais are normally generous with their worldly possessions and not predisposed to careful accumulation of money and goods.

A third important value is emphasis on individual self-reliance. Family loyalty, to the extent that it shapes behavior, thus relates primarily to the immediate rather than to the extended family, and offspring break away early to establish separate households. Child-rearing after the age of 7 or 8 is directed to the development of self-reliance; the fertile soil has likewise encouraged it, as people are not heavily dependent on others for survival. Theravada Buddhism also contributes by its emphasis on the responsibility of individuals for their own actions and their resultant degree of success in attaining Nirvana or a better life in the next incarnation.

A fourth Thai value is emphasis on the "cool heart." This term is used to designate a person who is moderate, nonviolent, emotionally self-controlled in relations with others, and to some extent uninvolved. This same characteristic underlies one of the most common Thai expressions, "never mind" (*mai pen rai*), the typical response in embarrassing or difficult situations. The characteristic of a "cool heart" presumably reveals superiority and protects "face." Forgiving or ignoring an insult also manifests this superiority. No matter what the situation, the proper verbal tone is that of softspoken moderation and polite form, even when another person is being taken to task.

The Thais accept social stratification as proper, assuming it reveals the greater merit of one person over another in either this or a former life. "Superior" and "inferior" to them are natural relationships. Making the most of one's situation at a given time in terms of enjoyment also provides a basis for accepting rather than contesting subor-

dinate status. The development of individualism into economic competition is essentially limited to the Westernized Thai of the urban centers.

The social values noted above suggest certain important considerations in the employment of Thais. Though money is important for personal security and for enjoyment, its attainment in the form of salary raises does not compensate for loss of "face" nor for brusqueness, or loud commands by an employer to his employees.

Similarly, promotion is less important than the security derived from employment by a person who understands Thai values and his own interpersonal obligations, which include personal interest in the employee. While Thai employees may appear self-effacing or humble in dealings with superiors, their sense of values imposes a strong sense of propriety in employer-employee relationships.

Thais are not preoccupied with time as an efficiency factor, nor with the administrative requirements of regular attendance or punctuality. Similarly, a worker's cultural values normally do not make him particularly concerned about the maintenance of machinery and technical equipment. Avoidance of material waste, and ability to make clearly drawn distinctions between work equipment which may or should not be appropriated for personal use, also are not inherent in his traditions.

Thus, in Thailand, Western concepts of efficiency must be adjusted to Thai social and psychological needs. Consistent violation of these needs will reduce productivity and promote great worker turnover.

On the other hand, the Thais are flexible, and attracted by many Western material objects and customs. This is particularly true of members of the urban upper and middle socioeconomic groups. Many workers are not yet committed to nonagricultural occupations. Some leave their urban jobs at rice planting or harvesting time to help their families; others work in the cities in order to buy a rice paddy in their native village. Nevertheless, a nonagricultural work force is developing steadily. Modern management is not impelled to the same extent as in many other societies to think in terms of family units when hiring and dealing with a worker. Problems of social status also are not great; for most Thais, status has not been converted directly into categories of nonagricultural jobs, and, at the

white-collar employee levels, education and advanced technical training are characteristics primarily of the middle- and upper-income groups.

If a Thai with lower socioeconomic origin obtains such training, he automatically has the right to hold a job at his educational or skill level.

## Chapter IV. Education and Health

### Education

Thailand has one of the highest literacy rates in Asia. According to 1960 census figures, 70 percent of persons 10 years of age or older could read and write in some language. Compulsory primary education was established by law in 1921 and has been enforced with mounting effectiveness since 1935. However, many children, particularly in rural areas, still do not attend school.

The Thai educational system is centralized under the Ministry of Education, and has four basic types of schools—local, municipal, National Government, and private. The local and municipal schools provide only primary education and obtain funds from the Ministry for teachers' salaries, minimum equipment, and part of the cost of constructing new buildings. Each locality finances the balance of its school costs. Administratively, these schools are under district educational officers of the Ministry of Education. The National Government schools provide secondary, vocational and higher education. In 1961, there were over 4.5 million students in the entire Thai educational system (exclusive of higher education), according to the Ministry of Education.

The approximately 2,000 private schools range from regular elementary and secondary Chinese and missionary schools to secretarial, commercial, and English-language schools of various types. They are also under the supervision of the Ministry of Education and must adhere to the same regulations as the public schools concerning teacher qualifications and curriculum. According to these regulations, teachers must be literate in Thai, which is designated the primary language of instruction. These requirements have been imposed particularly on Chinese schools to assure the cultural integration of the Chinese into Thai society. A number of private non-Thai schools also function as centers rather than officially as schools, which permits them

greater flexibility in language and curriculum. An International Children's Center provides elementary and secondary education on the American model in English, and several private British centers follow the same pattern.

All children are required by law to enter primary school at the age of 8 and attend until they complete the fourth grade or reach the age of 14. A preliminary first year, to learn the rudiments of reading and writing, frequently extends primary education to 5 years. Literacy and some familiarity with Thai culture are the basic educational objectives at this level. Shortage of classrooms makes it necessary for almost half of all primary schools to be held in the local Buddhist temples. Serious teacher shortages also prevail, even though teacher training has been steadily expanding with United States educational assistance. Since the school year 1957-58, the pressure of the school population on available facilities has led to two shifts per day in the public schools in heavily populated areas. The following tabulation shows the number of teachers and students, by type of school, in 1961:

	<i>Number of teachers</i>	<i>Number of students</i>
Total.....	138,534	4,550,174
Kindergarten.....	503	10,628
Municipal and local.....	77,349	2,112,400
Primary extension.....	13,891	414,701
Secondary.....	9,003	189,014
Teacher training.....	1,716	19,335
Vocational.....	4,788	54,296
Private.....	28,346	674,413
Others.....	2,938	75,387

In 1955, it was estimated that about 67 percent of all children of primary school age were enrolled in local and municipal schools. Pupil enrollment was estimated at 2,742,007 in the 19,767 schools. As of 1961, there were 3,112,400 children in 22,368 schools at this level, and an estimated 74 percent of all children of primary school age were in attendance.

In the field of secondary education, estimates for 1955 indicated 293 Government secondary schools (one-fifth located in Bangkok), with approximately 4,427 teachers and an enrollment of 125,319 students. Statistics published by the Ministry of Education showed 189,014 secondary students in 399 schools in 1961.

Substantial increases in the Thai Government education budget have been characteristic since the expansion of educational cooperation between Thailand and other countries. The allocation for education in 1957 amounted to an increase of 3.3 percent over that for 1956; the increase of 1958 over 1957 amounted to 94.5 percent. Since 1958, the Thai Government has continued to stress heavily the expansion of educational opportunities and facilities. Current estimates indicate that about 120,000 of the estimated 400,000 students graduating yearly from primary school continue on to secondary school; the rest of the graduates normally work on the family farm. However, before the students proceed to the secondary level, they divide into two groups. Those students who can pass the necessary competitive examinations remain in the academic program, which also prepares for the university; the others enter vocational training.

The standard secondary school program builds on that of the primary school, but introduces the study of a foreign language. English is the language prescribed. For secondary school students desiring to go on to higher education, there is an additional 2-year university preparatory course upon completion of six secondary grades. Enrollment in pre-university courses was 15,549 in 1958. Estimates in 1961 indicated that of the 70,000 who graduate annually, only 10,000 to 15,000 enter a university.

The Department of Vocational Education of the Ministry administers three levels of vocational schools; in 1961, there were 196 vocational schools in all. Students may progress directly through all three levels or transfer from an academic secondary school to the higher vocational schools. At the first or "intermediate" level, comparable to grades 8 to 10 in the regular secondary school, a 3-year curriculum is available in automechanics, metalwork, building of small boats, weaving, tailoring, leathercraft, painting, agriculture, home economics, carpentry, building construction and masonry, handicrafts, and enameling. Some of the major schools in this category are:

Iam-laor School  
Kamphaenghet Trade School  
Chonburi Trade School  
Trang Trade School  
Nakhornsawan Trade School  
Prachinburi Trade School  
Phetburi Trade School  
Prachuapkirikhan Trade School  
Songkhla Trade School

Students at this level numbered about 18,000 in 1961.

At the higher vocational level, comparable to grades 11 to 13, a 3-year curriculum offers courses in modern languages, secretarial and commercial training, dressmaking, women's crafts, building and carpentry, welding and metallurgy, automechanics, telecommunications, machine shop, and electrical and engineering trades. Among these schools are the following:

Lopburi Engineering School  
Utentawai School of Building Construction  
Patcomwan Engineering School  
Nonthaburi Engineering School  
Telecommunication School  
Vocational Promotion School  
Thonburi Commercial School  
Northern Bangkok Engineering School  
Northern Bangkok Technical Institute  
Arts and Crafts School

In 1961, there were an estimated 30,100 students in commercial and industrial schools at this level.

Outstanding among vocational schools, and providing advanced studies, are five multivocational technical institutes. The most advanced is located in Bangkok with a second in neighboring Thonburi and the other three somewhat lesser ones (comparable to grades 14 to 15 or "junior college") in the Northeast, North, and South. Supervised by a Division of Technical Institutes, they have been developed in cooperation with United States financial and technical assistance.

The *Northern Technical Institute* at Chiangmai offers 3-year courses in business, electricity, automechanics, carpentry, machine shop, building trades, industrial arts, and masonry. The equipment is mainly American. One of this institute's teachers reports that, despite the shortage of vocational skills throughout Thailand, graduates often have difficulty in finding jobs because Thai businessmen, as in the past, emphasize apprenticeship learning over technical education. In addition, graduates cannot easily find shops in northern



Thailand that use machines similar to the American ones on which they learned.

The *Northeastern Technical Institute*, located at Korat, offers a 3-year course in carpentry, accountancy, secretarial work, electrical engineering and metallurgy, and a 5-year course in carpentry, construction, and architecture.

The *Southern Institute* located at Songkhla gives a 3- or 5-year course in construction and commerce and 3-year courses in carpentry, metallurgy, electrical engineering, and home economics.

The *Bangkok Technical Institute* was established in 1952. A 3-year course offers studies in printing, photography, and land surveying with more advanced courses in accountancy, business administration, metalwork, secretarial work, home economics, nutrition, electrical engineering, radio technology, and other skilled industrial trades. There is also a 1-year course in Secondary Vocational Education and Industrial Arts. The Bangkok Technical Institute graduates normally become teachers in the regional technical schools. Good students graduated from the regional institutes have an opportunity to study for 2 years at the Bangkok Institute.

*Thonburi* offers work in construction, metallurgy, electrical engineering, and mechanics.

In 1961, there were about 6,200 students at this level. The total number of students for all 196 vocational schools of the entire system was about 54,300. Teacher training colleges and schools had 19,335 students in 1961. In addition, Thailand is participating in SEATO-sponsored (United States and Australian) skilled labor projects designed to upgrade vocational and technical skills. In 1962, there were 1,547 students in the U.S.-sponsored program, which operates chiefly at grades 11 to 13 levels, and 200 military personnel were being prepared by the Australians in engineering trades. West Germany also sponsors a 3-year technical school project at the second or higher vocational level, while the Japanese Government assists the Telecommunications Training Center. The Thai Armed Forces, in addition, operate their own technological training programs, as do some civilian government ministries.

Higher education in Thailand is organized primarily around five universities and a College of Education, all in Bangkok. The following tabulation shows the number of students and teachers for each in the year 1961:

<i>Universities</i>	<i>Teachers</i>	<i>Students</i>
Total-----	2,692	43,637
Chulalongkorn-----	804	6,053
Thammasart-----	334	29,693
Kasetsart (Agriculture)-----	814	2,978
Medical Science-----	330	1,834
Fine Arts-----	109	330
College of Education-----	301	2,749

Chulalongkorn University provides 4-year academic courses in arts, science, engineering, commerce and accounting, economics and finance, education, and political science. Thammasart University provides degree work in commerce and accounting, law, political science, economics and finance, and social welfare, and has a graduate Institute of Public Administration established in 1956 under the U.S. Technical Cooperation program. Both Chulalongkorn and Thammasart Universities are directly under the administrative authority of the Ministry of Education. The Government also is developing a new university in Chiangmai.

The University of Medical Science provides degree work in medicine, dentistry, pharmacy, public health, and veterinary medicine and has two hospitals operated as training institutions. It is administered by the Public Health Department. Kasetsart University, under the Ministry of Agriculture, offers degrees in agriculture, cooperatives, forestry, and fishing. The Fine Arts University provides training in painting and sculpture and had 330 students in 1961. The College of Education, a separate institution established with U.S. aid, constitutes a major effort to raise the quality and number of Thai teachers beyond those trained at the three teachers colleges and the lower teacher training schools.

Outside the regular educational system there are also two Buddhist universities and a number of Armed Forces higher educational institutions. About 4,000 Thai students are studying abroad, of whom many are receiving their higher education in the United States. About 80 percent of those in the United States are enrolled in long-term programs, primarily in engineering, economics, and business administration. The remainder are involved in American technical assistance programs (about 75 percent in education). The balance of Thai students abroad are studying chiefly in Britain, France, and Japan.

Progress through the Thai educational system results from examinations set by the Ministry of

Education at the end of each primary education year, after the third and sixth years of secondary education, and before university matriculation. Increasing numbers of qualified high school graduates are unable to enroll in the universities because of shortages in both facilities and qualified faculty members, most of whom are part-time lecturers. University students customarily come from the upper income families of Thai society; traditionally their major interest has been entry into government service. As secondary education expands, however, and popular interest in more education increases, in conjunction with the mounting demands for trained people in a gradually evolving industrial economy, it can be assumed that the demand for higher education will also slowly widen. Nevertheless, the educational system at the secondary and university levels is still marked by emphasis on studies which prepare for careers in government or general administrative work, instead of in such fields as engineering and technology. There are still severe shortages in almost all modern managerial, technical, and scientific skills.

Since university and even secondary school graduates are absorbed into the upper levels of Thai society where they find ready employment with the government, there is no unemployed educated group, a fact which contributes to Thai stability. However, the steady expansion of Thai economic development requires additional expansion and readjustment of the Thai educational system to meet the new occupational and skill needs. Merely in terms of quantity, the 1960 census indicated that, out of a total of 21,147,582 people 6 years of age or older, 7,973,446 had no school education; 7,370,600 had attained the fourth grade or its equivalent of primary school; 276,272, the sixth grade of secondary school; 53,164, the second year of preuniversity work; and 95,137, some stage of higher education; with 3,563 persons holding some form of graduate degree, including doctor of medicine.

From the managerial perspective, the present educational characteristics of Thailand produce some problems but also provide encouragement. On the favorable side is the fact that within Southeast Asia Thailand has one of the highest levels of literacy. It is thus possible to find some unskilled workers who are literate, and this is much more probable in the case of skilled workers and white-collar employees. As education expands, increas-

ingly higher percentages of workers entering the labor market will have had a primary education.

Clerical workers generally have had either vocational or academic secondary school experience. Technical personnel also have had secondary education, although it may be somewhat difficult to recruit persons who have completed their technical training in the specific field desired. Many large employers, therefore, conduct their own training programs and send selected employees to special technical and language schools. At the professional level, particularly in the scientific and engineering fields and in economics, the shortages are particularly acute and the competition for qualified personnel is keen.

Most persons with technological training have received it at the secondary level, while, as noted, most university students still plan for careers in the public service. Although these university graduates make a significant contribution to Thailand's Government, neither they nor the secondary technical graduates are yet available in adequate numbers or with sufficiently developed skills to meet the requirements of a modernizing economy. These specialized manpower shortages are recognized by the Thai Government, which has been engaged in active cooperation with the United States in various technical assistance and educational programs to alleviate the inadequacies.

### **Housing, Health, and Sanitation**

Thai health and sanitation conditions have been improving steadily. The birth rate increased from 23.7 per 1,000 in 1947 to 36.9 in 1960; over the same period the death rate dropped from 13.4 to 8.9 per 1,000, and the infant mortality rate from 80 to 49. The maternal mortality rate also has been falling steadily every year. Statistics on life expectancy are somewhat inconsistent, but the UN Economic and Social Council estimated in 1957 that in the years 1950-55 it was in the neighborhood of 40 years. This compares favorably with estimates of 31.6 for males and 37.4 for females in 1929 although it is still in striking contrast to 1960 Japanese estimates of 65.37 for males and 70.26 for females (only a few years below U.S. estimates).

The relatively good Thai standard of living is based on the abundance of rice and absence of great population pressure on the land. Rice is supplemented by fish, which is plentiful, and a variety of

fruits and vegetables. Tea is the basic beverage, although bottled soft drinks are now available even in larger villages and the drinking of iced coffee is widespread in urban centers. Markets also sell a variety of cuts of pork. Water buffalo and some beef, eggs, and fowl are available. For financial reasons, however, the daily diet of most Thai farmers and workers is based mainly on rice supplemented to a limited extent by these other foods. Only special occasions and festivities call for more elaborate meals. The urban middle and upper income groups, however, have a diet which includes more meats, fish, poultry, vegetables, and fruits in addition to rice.

Despite the relative absence of starvation among the people generally, the unbalanced diet prevalent in some parts of the country (particularly the Northeast) fosters many nutritional diseases. The Thai Government reports that endemic goiter gravely impairs the health of large numbers of Northeasterners. Beri-beri has been increasing throughout Thailand because of the mounting use of polished white rice and inadequate intake of other protective foods. Beri-beri has been said to exist among a fourth of the Northern population and a tenth of the Northeasterners. Riboflavin deficiency (high among persons under 20 years of age), and iron deficiency also are particularly weakening to portions of the population. To combat these nutritional problems, the Thai Government is waging an active educational campaign with the support of United States and international assistance agencies.

A hopeful element is the general willingness of the Thai people to fight disease with modern Western drugs and medical techniques. As a result, though many persons (particularly in the rural areas) still resort to the traditional herbs and spirit exorcism which characterize both Chinese and animistic medical practices, there is also widespread distribution of modern packaged pharmaceuticals and extensive resort to inoculations. Those Thais who may initially rely on ancient practices are apt to switch to more modern medical treatment if the older techniques prove unsatisfactory. The main problem in this connection is that their delay in applying for Western medical assistance, if available, may seriously reduce its benefits.

Available modern Thai medical facilities are supplied by an active and reasonably effective public health program administered by the Ministry of

Public Health. Under the Department of Health, within the Ministry, are a number of divisions, including those concerned with vital statistics, health education, communicable diseases, tuberculosis, rural health, sanitary engineering, school health, and maternal and child welfare. There are also 71 provincial offices and a number of district branch offices. Provincial public health officers are first-class (fully trained) physicians; district health officers are second-class physicians only partially trained in modern medicine. Under the Department of Health also are untrained local herb doctors and sanitary technicians. While the best health and medical facilities are in Bangkok, a large number of rural health centers attempt to meet basic local needs. Public health regulations include compulsory registration and classification in terms of training (first or second class) of all physicians, dentists, pharmacists, and midwives. The "old style" doctors and midwives who lack modern training are also registered and classified. Finally, there are a large number of unregistered practitioners, including Buddhist priests.

According to the 1960 census, there were 1,712 doctors registered as first- and second-class (no degree) physicians; 1,222 of these were listed as Government employees. The remainder were in private practice or associated exclusively with private hospitals. Almost 400 students are now graduating each year from the Medical Sciences University with a bachelor's degree in medicine. First-class (graduate) dentists are in particularly short supply, with the 1960 total listed at 354. There were also 254 pharmacists, 2,099 nurses and midwives, 1,187 optometrists and medical technicians, and 3,786 medical workers. Bangkok contains a major proportion of Thailand's first-class graduate doctors, dentists, and trained nurses. The national ratio of one doctor to every 8,000 people, estimated in 1963, contrasts with one physician trained according to modern standards of medicine for every 60,000 persons in Indonesia and one per 800 persons in the United States. Because of the high concentration in Bangkok, this ratio to population becomes even lower in the rural areas.

The Medical Services Department of the Ministry is in charge of the construction and operation of government hospitals. It includes divisions of Mental Hospitals and Provincial Hospitals. By the end of 1957, 72 provincial hospitals, 5 mental hospitals, and 1 neuropsychiatric unit had been

established. Together with hospitals for women and children, a hospital for priests, and one general hospital (Lert Sinn), this made a total of 85 hospitals in the Department of Medical Services, with more under construction. The total number of hospital beds by 1960 was about 4,000. An essential part of the Women's Hospital in Bangkok is the School of Nursing with over 400 student nurses from the various provinces. Each year it graduates 100 nurses or more. In addition to the above major Thai hospitals, Bangkok has a private British-sponsored Bangkok Nursing Home, a well-equipped Seventh Day Adventist Hospital (run by several U.S. physicians), and a U.S.-administered Christian hospital. There are also several European physicians in private practice.

The University of Medical Sciences was founded in 1943, bringing all medical education together under the Ministry of Health. It consists of schools of medicine, dentistry, pharmacy, public health, public health nursing, nursing and midwifery, sanitary science, dental hygiene, and medical technology. The Government also has created a new medical school in Chiangmai.

Though the Thai medical and health situation is improving, the shortage of adequate facilities and trained personnel, plus lack of popular understanding of modern sanitation and medical science, result in a variety of nonnutritional diseases. In the past, the productive capacity of the work force drawn from the rural area was seriously undermined by malaria, along with related mosquito-borne diseases. However, the malaria control program launched by the Thai Government in cooperation with the United States and the World Health Organization (WHO) has succeeded in clearing most of Thailand from mosquitoes and bringing the remaining areas under some control. Bangkok is completely cleared.

Diseases of maternity and infancy have ranked second to malaria, up to 1963, as a cause of death in Thailand. Lack of proper care and the unhygienic methods employed by inadequately trained midwives have been the primary reasons. The Thai Government, UNICEF, and WHO have been conducting an active campaign in this field. Thus, infant mortality has decreased per 1,000 births from 105.6 in 1945 and 63.5 in 1954 to 45.8 in 1961. Intestinal

diseases, caused by poor sanitation, impure drinking water, and little or no modern sewage disposal, are a third major problem. Even Bangkok, with its 1 million population, does not have safe water. Sewage is largely dumped into open canals, where the Thai also bathe, fish, wash clothes and dishes, and upon which they transport their produce to market. Frequent floods contribute to the sanitation problem. Still other diseases of significance are tuberculosis; yaws (prevalent in about 40 provinces and affects about one-tenth of the population); venereal disease (incidence is extremely high); and leprosy (affects an estimated 100,000 persons, primarily in the North). There is little drug addiction though many of the older residents still chew betel nut, which contains a mild drug. Use of opium is a problem mainly within the Chinese community. Alcoholism is not a problem although it is increasing among the younger generation, particularly in urban centers.

Rabies is a serious health menace, causing about 200 deaths a year. Packs of wild dogs roam the villages and even some urban centers, but are eliminated only with great hesitancy because of Buddhist prohibition against killing any living thing. Since 1954, Thailand has had a strict rabies control law but it has been difficult to enforce for this reason.

Since Thailand is located in the tropics, and has a long rainy season, housing reflects climatic conditions as well as the basically agricultural character of the society. In rural areas, houses are constructed of local materials such as timber and thatch, and many are built on stilts, with shelter for animals underneath. The Chinese, however, build directly on the ground. Urban manual workers customarily live in simple wooden huts with tin sidings and roofs often made of thatch. They show ingenuity in utilizing any materials available. The dwellings of persons in urban middle and upper income groups tend to be modern adaptations of rural housing constructed of concrete and teak. In Bangkok, these homes are often very splendid. There is no plumbing in rural homes, and plumbing is available only in the homes of the middle and upper income groups of major urban centers.

## Chapter V. Manpower Resources

### Population and Labor Supply

Thailand's population, estimated at 26,257,916 in the 1960 census, has a relatively low average density of approximately 131 persons per square mile (as compared to the U.S. figure of approximately 45, the Philippines, 205, and Japan, 550) and about 550 persons per square cultivated mile. However, the Chao Phraya valley, including Bangkok, is estimated to have more than 630 persons per square cultivated mile, while limited sections of the south-eastern coastal strip contain more than 3,000 people per square mile. Nevertheless, despite such evidences of heavy localized concentration, the overall density of the rural population, for the four regions, is only slightly above 30 persons per square mile in the North, 35 persons in the South, 40 in the Northeast, and 145 in the Central Plain.

Analysis of Thai population distribution indicates that the concentration in the Central Plain of the Chao Phraya valley has been steadily increasing to the point where, in 1960, 8,271,246 people or approximately 31 percent of the total population were living on this alluvial soil. (See also under Geographic Factors and Climate, p. 1.) Bangkok, in the southern part, now has an estimated 1,300,000 people, which means that it has been growing at the average rate of about 35,000 persons per year since 1947. A 1954 population survey of Bangkok also indicated that about 38 percent of the population had migrated from other areas of the country to the municipality in the 7 years immediately preceding. The Northeast region contained 8,991,543, the North 5,723,106, and the South 3,271,965 persons as of 1960. This population growth, however, estimated in 1960 by the Thai National Economic Development Board at 3.88 percent yearly increase, does not yet jeopardize the country's relative underpopulation.

An estimated 85 percent of the total population are in the rural areas, as indicated by the 1960 census. Persons in agricultural households (by survey definition, operating two or more *rai*, selling agricultural products valued at 2,400 baht or more, or having livestock valued at 2,400 baht or more) constituted 75 percent of the population in 1960. On a regional basis, about 55 percent of the population in the Central region live in agricultural house-

holds, 88 percent in the Northeast region, and 79 percent in both the North and the South. These figures suggest the extent to which industry is concentrated in the Central region. Over 50 percent of the urban population live in Bangkok-Thonburi. A total of 3,273,865 people live in the nation's 120 municipalities. Fifteen municipalities contain between 25,000 and 66,000 people each, on the basis of the 1960 census. The leading municipalities are as follows:

	Population, 1960
Bangkok.....	1,299,528
Thonburi.....	403,818
Chiangmai.....	65,736
Nakornratchisima.....	42,218
Lampang.....	36,486
Hadyai.....	35,504
Nakornsawan.....	34,947
Chonburi.....	32,498
Nakornsri-Ayuthaya.....	32,368
Songkhla.....	31,014
Udonthani.....	30,884
Phitsnulok.....	30,364
Nakornpathom.....	28,425
Phuket.....	28,033
Samutsakhorn.....	27,602
Ubonratch-thani.....	27,222
Nakornsriphanirat.....	25,919

Forty-four others have between 10,000 and 25,000 people. Despite the rapid growth of Bangkok, many of whose inhabitants are only temporary residents, there is still no great urbanization trend throughout the rest of the country. Many who go to Bangkok or other urban centers stay only until they have earned enough money to buy more rice land at home.

The population is distributed almost equally between the sexes. On the basis of the 1960 census, there were about 13,154,149 males and 13,103,767 females. The population's age distribution suggests a median age of under 20 (about 9 years below that of the United States), with 43 percent of the population made up of children under 15 and the remainder almost equally divided between those from 15 to 29 and those 30 and above. Almost 70 percent of the population is under 30, and almost 82 percent is under 40. The youth of the population is due largely to the still low average life span in Thailand. Estimates suggest that approximately 64 percent of the economically active population (11 years and over) are in the 15-39-year age group, (about 50 percent

are in the 20-39-year age group) and 8 percent are under 15, with only 28 percent of the economically active population aged 40 or over.

The 1960 Thai census figures indicate a total economically active population, 11 years of age or over, of 13,772,104, or slightly more than 52 percent of the total population and 80 percent of all persons of working age, who number 17,310,994. Of those 13.8 million, an estimated 7,106,612 are males and 6,665,492 are females. However, although the number of males and females actively engaged in agriculture and related activities is approximately equal and women also are used extensively as unskilled manual laborers on construction jobs, women's participation in other forms of economic activity drops off sharply compared to the men's, with the major exception of jobs in trade and commerce.

Occupational distribution of the economically active population, by sex, is given in table 1.

Since the overwhelming majority of the Thai population are still engaged in agriculture, forestry, and fishing, on a family basis, the salaried and wage-earning work force remains relatively small (table 2). A great number of the agricultural wage earners are Laotians whose poor northeastern land compels them to engage in migratory farm work. Thai industries are mostly small privately owned factories engaged in the production of light consumer goods—chiefly processing agricultural and forestry products.<sup>2</sup> Government enterprises constitute most of the large industry.<sup>3</sup> Employees of these government enterprises, when combined with all other categories of public employees, have been estimated to constitute one-third of nonagricultural wage earners. The 1960 census also lists some 154,300 clerical workers and 173,960 professional, technical, and related employees. There are an estimated 59,000 persons in domestic service and some 220,000 to 250,000 males are estimated to be in the Buddhist clergy on a temporary or permanent basis at any given period.

<sup>2</sup> A 1954 Thai Government survey indicated that 2,500 enterprises employed more than 10 persons and accounted for 100,000 members of the industrial labor force, while 28,000 other enterprises employed fewer than 10 people each and accounted for another 100,000 industrial employees. A World Bank survey of Thai industrial organizations in 1957 indicated that only about 2 percent of these establishments had more than 50 employees.

<sup>3</sup> One official Thai report lists 130 government enterprises. As noted (see National Economy, p.—), these include, among others, the Thai Tobacco Monopoly, the Thai Cement Co., the Thai Sugar Co., etc., as well as government-owned and -operated distilleries, tanneries, weaving factories, power plants, sawmills, furniture factories, battery plants, and textile mills.

TABLE 1. ECONOMICALLY ACTIVE POPULATION 11 YEARS OF AGE AND OVER, BY OCCUPATION AND SEX, 1960

Occupation	Total	Male	Female
All occupations.....	13,772,104	7,106,612	6,665,492
Farmers, fishermen, hunters, loggers, and related workers.	11,332,489	5,574,571	5,757,918
Miners, quarrymen, and related workers.....	26,255	19,347	6,908
Craftsmen, production process workers, and laborers..	806,205	539,837	266,368
Transport and communications workers.....	144,610	138,145	6,465
Professional, technical, and related workers.....	173,960	114,941	59,019
Administrative, executive, and managerial workers.....	26,191	23,643	2,548
Clerical workers.....	154,303	133,716	20,587
Sales workers.....	735,457	325,254	410,203
Service, sport, and recreation workers.....	273,375	152,310	121,065
Workers not classified by occupation.....	99,259	84,848	14,411

SOURCE: Thailand, Central Statistical Office, National Economic Development Board. *Thailand Population Census, 1960*. Bangkok, July 5, 1962.

The overwhelming majority of males are in the economically active age group.

The nonagricultural labor force includes large numbers of women and children, many of whom perform heavy manual labor such as on road and building construction. Women are also active in domestic service, and in clerical and professional work, as well as self-employed in such cottage industries as silk and cotton weaving and making of basketware and similar products for local markets.

Official unemployment is extremely low, listed in 1960 census figures at 0.5 percent of the total economically active population. Underemployment, however, is great; much of the rural population is not economically active for long periods in the cultivation cycle, while many nonagricultural workers (e.g., those in construction) work only in limited stretches. The fact that 4,084,792 persons are "own account" workers and 7,982,836 are unpaid family workers, out of the total economically active population of 13,772,104, suggests the extent of such underemployment.

### Special Characteristics of the Work Force

The Thai work force is in process of an evolution which involves both a steady change in its size and composition and a related modification of worker behavior. Some westernization of work habits accompanies the shift in occupational interests.

Most of the Thai wage-earning force, located in small or medium establishments if not actually working in agriculture, are not yet far removed from

TABLE 2. ECONOMICALLY ACTIVE POPULATION 11 YEARS OF AGE AND OVER, BY WORK STATUS AND OCCUPATION, 1960

Occupation	Labor force		Work status					
	Number	Percent	Employer	Own account worker	Employee		Unpaid family worker	Unknown
					Government	Other		
Total	13,772,104	100.0	43,600	4,084,792	489,452	1,143,234	7,982,836	28,190
Professional, technical, and related workers	173,960	1.3	647	12,402	128,832	29,424	2,556	99
Administrative, executive, and managerial workers	26,191	.2	6,271	6,287	8,668	4,945		20
Clerical workers	154,303	1.1		301	122,765	30,683	440	114
Sales workers	735,457	5.3	6,948	360,268	886	51,186	316,114	55
Farmers, fishermen, hunters, loggers, and related workers	11,332,489	82.3	19,295	3,435,484	2,845	348,984	7,525,770	111
Miners, quarrymen, and related workers	26,255	.2	228	4,597	508	15,414	5,506	2
Workers in transport and communication occupations	144,610	1.0	1,283	50,267	21,298	64,245	7,467	50
Craftsmen, production process workers, and laborers	806,205	5.9	6,329	154,471	74,725	490,812	79,544	324
Service, sport, and recreation workers	273,375	2.0	2,464	59,578	61,980	104,991	44,303	59
Workers not classified by occupation	99,259	.7	135	1,137	66,945	2,550	1,136	27,356

SOURCE: Thailand, Central Statistical Office, National Economic Development Board. *Thailand Population Census 1960*. Bangkok,

July 5, 1962, pp. 28-35.

life in the rice villages. Hence, most workers reveal a series of interrelated characteristics clearly rooted in traditional values and patterns of living. A great many wage earners are only seasonal workers. Many rural Thais fill nonagricultural positions only between rice planting and harvest time. Such workers constitute a large proportion of the unskilled labor which is the major component of the nonagricultural work force.

These temporary, unskilled workers are not fully committed to nonagricultural labor. They will work, or cease to work, in response to their immediate feelings, the actions of friends—particularly from their home village or region—or the extent to which “face” and traditional value requirements have or have not been satisfied. The great majority of Thai wage earners are still basically rural in orientation.

At the semiskilled and skilled levels is that minor portion of the Thai work force where traditional and Western values and behavior patterns intermingle. The economically active population at this level is committed, at least to some extent, to a nonagricultural wage-earning career. Accompanying such psychological commitment is a more Western interpretation of success in terms of job promotion and wage increases, response to money incentives for regularity on the job and for increased productivity, and greater interest in utilizing urban recreational facilities, wearing Western style clothing, and obtaining vocational and in-service training. Some gradual application of Western productivity and efficiency methods is possible.

The great shortage of skilled and semiskilled labor in Thailand, particularly outside the Chinese community, can be attributed also to the inadequacies in elementary education (particularly in rural schools), vocational training opportunities, and apprenticeship and in-service training facilities as well as to traditional attitudes. There is an even greater shortage of supervisory and managerial personnel, although Thais have demonstrated a capacity to develop modern occupational skills, once interest is cultivated. The existence of an indigenous civil service corps that is outstanding in Southeast Asia indicates the possibilities of developing managerial and white collar staff.

Traditional practices and values constitute problems in Western productivity terms. Nevertheless, provision for training, and employer understanding of the problems involved in trying to apply Western techniques in a slowly modernizing rice economy, can facilitate the development of a more modern work force.

### National Service System

The Thai Armed Forces—Army, Navy, and Air Force—both recruit and conscript. Men are eligible for national conscription at age 18 and those selected serve 2 years. As of 1963, the estimated 130,000-man force took only a limited number of the men available under the conscription regulations, and provided varying terms of deferment, up to permanent deferment, for many of the others.

The Armed Forces provide technical training whose benefits ultimately are available to the economy. This training function is limited in its impact on the economy, however, because much of the advanced technical training is given only to career, professional members of the Armed Forces.

Some estimates can be made of the number of persons the Armed Forces and police draw from the country's manpower pool. At its peak in 1957, the police force consisted of about 48,000, including both police recruits and men obtained through annual national conscription. With the change in regime in 1957, the police forces were reorganized. Their size is (1963) probably below the 48,000-man figure. There are an estimated 30,000 militarized police (similar to a gendarmerie), including a special Thai Border Police of about 5,000 men. Police recruits are in the 21- to 36-year age range, while conscripts

are generally about 18. In addition to this regular police organization, provision for a Volunteer Defense Corps of about 120,000 (as of 1957) is designed to assist the police in an emergency in maintenance of public order. Since 1963, the corps has been training under Army supervision.

It is hard to estimate the extent of mobilization of manpower and its effect on the civilian work force, in event of a major national emergency. Thailand, as a member of the Southeast Asian Treaty Organization (SEATO), has military commitments to participate in the defense of those of its neighbors covered by the treaty. Likewise, member nations are committed to providing Thailand with armed assistance. Presumably, however, such mobilization would adversely affect certain skilled labor resources of the civilian economy.



## PART II. GOVERNMENT AND LABOR

### Chapter VI. Government

#### Public Administration

Since the last part of the 19th century, government administration in Thailand has been steadily modified and modernized, first, through improvements suggested by selected foreign advisors to the Thai kings and through education of higher officials in Britain and France, and second, since the 1932 revolution, through direct large-scale introduction of a Western-style civil service organization and rules.

Government officials have a virtual monopoly of administrative experience in the country and a long tradition of willingness to serve the country's political leadership despite changes in power. The bureaucracy thus makes a major contribution to the country's capacity for self-government and political stability.

The position of government officials is extremely high, because of the prestige which was accorded government service under the absolute monarchy and because the higher posts are still the primary career outlet for most university students. Awareness of the full importance of the Thai Government employee is highly significant for foreign employers, particularly in the light of the Government's leading role in the national economy. Also important is the understanding that the westernized characteristics of Thai public administration are blended with traditional Thai characteristics and values.

A comprehensive national civil service system was first inaugurated in 1928, although initial steps were taken in the 1880's and 1890's. Largely modeled on the British system, it now operates under the provisions and regulations of the Civil Service Act of 1954. In addition to Central Government employees, it includes judicial, military and police, educational, and provincial officials. All positions below the level of deputy minister officially are incorporated into it. Only officials of government enterprises and the municipalities are excluded. Thai Government statistics indicate that, as of 1961, there were 221,171 civilian civil servants, not including 150,000 temporary employees, 10,000 municipal employees, approximately 53,000 com-

mune and village officials, and the employees of 130 government-owned or -controlled enterprises. The total of 221,171 did include, however, 112,605 persons in the Ministry of Education, of whom some 89,000 were school teachers. Under the law, teachers are in the civil service but they are under the jurisdiction of a Teachers' Association instead of the Civil Service Commission. The civil service amounts to almost 1 percent of the population and the public service, including permanent military officials, is probably about 2 percent.

A national Civil Service Commission, attached to the Prime Minister's Office, promulgates the civil service rules and reviews the personnel practices of the ministries and other agencies. This commission consists of the Prime Minister as chairman, the Deputy Prime Minister, and from five to seven other members who hold or have held a rank not lower than director general (the head of a department within a Ministry). A secretary general is the active head of the commission. Civil service subcommissions are established in each ministry, department, region, and province. A ministerial subcommission consists of the Minister, Deputy Minister, Under-Secretary, and all the directors general of departments within the ministry. Departmental, regional and provincial subcommissions are similarly organized. However, actual initiative in such matters as classification, selection, promotion, and discipline rests with the ministries.

The system is based on rank classification in accordance with European practice rather than U.S.-style position classification. There are five classes, ranging from special class at the top to fourth class at the bottom. Entry into the system is largely geared to an individual's formal education. Under regular procedure, applicants for third and fourth class positions must take open competitive examinations. Various exceptions to this procedure exist, however; university graduates (professional and nonprofessional) enter as third-class officials and are potentially promotable to the highest level. On the other hand, secondary school graduates enter as fourth-class officials and have only limited promotional possibilities. An academic degree above

the baccalaureate entitles the holder to a higher salary step within a grade. Promotion from within the service normally is the means of entering into the top three classes. Although some form of examination is a legal requirement for promotion, it is most significant in movement from the fourth to third level. Thereafter, promotions are based chiefly on the recommendations of a department head and ministry civil service subcommission approval. Special class status requires ministerial recommendation and cabinet approval. Thai Government figures for 1962 indicated that 82.8 percent of the civil servants were in the fourth class, 10.8 percent in the third, 4.9 percent in the second, 1.1 percent in the first, and 0.4 percent were special-class officials. Since the ministries function with relative autonomy, advancement of career employees is normally confined to a given ministry; transfer between ministries is rare.

Despite the professionalism and high prestige of the Thai civil service, salaries are very low because of the Government's limited finances. The amount of an individual's salary is determined by his rank, years of satisfactory service, the classification of his particular position for pay purposes, and special allowances. Each class is divided into two or three grades and each grade usually consists of four salary steps. For an official to advance to the next highest class, he must first reach the top salary step in the top grade of his present rank class. One salary step upward, annually, is customary. On this basis, a university graduate entering as a third-class official as of 1962 would receive monthly 750 baht (about US\$37.50). A beginning second class official, which the university graduate could hope to become in about 8 years, received 1,200 baht (about US\$60), a beginning first class official 2,650 baht (about US\$132.50), and a beginning special-class official 4,300 baht (about US\$215) monthly (table 3). Even the addition of sizable cost-of-living allowances does not significantly improve this salary schedule. On a comparative basis, Thai domestic workers employed by foreigners in Bangkok customarily receive wages of 500 to 750 baht per month plus housing, food, and other assistance from the employer. White-collar and managerial employees of modern private firms receive significantly higher salaries than civil servants. The fact that civil servants receive liberal leaves, reduced educational tuition fees for their children, foreign scholarship benefits, a liberal

TABLE 3. SCALE OF MONTHLY SALARIES OF CIVIL SERVANTS, 1962

Class and grades	Salary steps (in baht <sup>1</sup> )			
Fourth class:				
Grade 1.....	450	475	500	525
Grade 2.....	550	575	600	625
Grade 3.....	650	675	700	725
Special.....	750	800	850	900
Third class:				
Grade 1.....	750	800	850	900
Grade 2.....	1,000	1,050	1,100	1,200
Second class:				
Grade 1.....	1,200	1,300	1,400	1,500
Grade 2.....	1,600	1,750	1,900	2,050
Grade 3.....	2,200	2,350	2,500	2,650
First class:				
Grade 1.....	2,650	2,800	3,000	3,200
Grade 2.....	3,600	3,800	4,000	4,300
Special class:				
Grade 1.....	4,300	4,600	4,900	5,200
Grade 2.....	5,700	6,200	6,700	7,200
Grade 3.....	7,650	8,000		

<sup>1</sup> 1 baht=US\$0.05.

SOURCE: An official report given at meeting of Eastern Regional Organization for Public Administration (EROFA) in October 1962.

retirement and disability program (retirement at age 60 or after 30 years of service), exemption from the income tax (their tax is paid by the Government), and reduced rates on public transportation and for medical and hospital care, does not alleviate the inadequacy of salaries. This great economic pressure has contributed to the growth of such problems as multiple jobholding—both within and outside the Government—and lowered morale. The present government has been waging an active campaign to solve these problems.

### Administrative Bodies Concerned With Labor

Primary responsibility for administration of labor law and regulations in Thailand is vested in the Minister of Interior, who has the authority to appoint the necessary officers and issue regulations. Within the Ministry of Interior, administration of labor law and labor regulations, with certain important exceptions such as the Industrial Establishments Act, has been delegated to the Department of Public Welfare. This department, one of the largest in the Ministry, is composed of a number of bureaus and divisions of which the Labor Bureau is one of the most elaborate in organization.

The Labor Bureau is currently composed of three Divisions: (1) Employment Service, (2) Labor Research and Statistics, and (3) Labor Protection and Industrial Relations. Under each division is a number of sections. (See chart.) The official functions of these units may be summarized as shown on the following page.

### 1. *Employment Service Division.*

*Employment Service Section.* Sends workers to jobs listed with it; acts on license requests from private employment service agents and supervises their compliance with the Employment Agency Act of 1932; and maintains liaison with private employment agents and with governmental and private employers seeking workers.

*Vocational Guidance Section.* Designed to adapt international job classification standards to the Thai labor force. Among other activities, it administers aptitude tests for occupational guidance purposes.

*Vocational Training Section.* Maintains contact with private or public organizations offering vocational training and with business enterprises desiring such training for their employees. Also provides vocational training to unemployed.

*Occupational Promotion Section.* Enforces provisions of the Occupation Promotion for the Thai People Act of 1956 in the case of industrial plants and commercial undertakings. (See Summary of Basic Labor Legislation, p.33.) It supports and assists unemployed Thais.

*Labor Welfare Section.* Provides welfare for employed workers and those listed for employment. It also promotes measures to maintain a fair standard of living for workers, and gives counsel or assistance to workers who suffer occupational injuries or are dismissed from work.

### 2. *Labor Research and Statistics Division*

*Labor Research Section.* Conducts research into social and economic problems of labor, administers the division's library, disseminates technical information about labor, and assists the secretariat of the National Manpower Board.

*Foreign Affairs Section.* Cooperates with other countries on labor problems, maintains contact with ILO, sends representatives to international labor conferences, and acts as host to foreign labor experts. (See Participation in International Organizations, p. 32.)

*Labor Survey Section.* Conducts surveys of living conditions, health, sanitation, and related conditions of workers; cooperates with ILO experts in surveys of the labor force, labor conditions, and vocational training.

*Labor Statistics Section.* Collects statistical data on wage rates, hours, workers' income, numbers and kinds of workers employed in industrial and commercial undertakings, accidents, work-connected diseases, labor union membership, and strikes.

### 3. *Labor Protection and Industrial Relations Division*

*Labor Inspection Section.* Inspects places of employment and implements regulations in regard to employment, wages, compensation, and welfare. Also advises employers and employees about problems associated with conditions of employment.

*Labor Disputes Section.* Operates the Government's conciliation and mediation services.

*Women and Child Labor Section.* Inspects the working conditions of women and children employed in industrial, commercial, and business undertakings, enforces minimum age regulations governing children's employment, and administers relevant workmen's compensation provisions. It is

also authorized to conduct research to improve the working conditions of women and children.

*Labor-Management Training Section.* Conducts research and disseminates information about labor administration. It also provides personnel training, particularly in the labor-management field.

*Workmen's Compensation Section.* Acts on claims for compensation in cases of sustained injury, invalidity, and death in the line of work, and represents the Labor Bureau in court cases. It provides information to establishments concerning provisions of the Workmen's Compensation Law.

The application of safety regulations in installations covered by the Industrial Establishments (Factory) Act is assigned to the factory inspectorate of the Ministry of Industries. In order to limit overlapping, an agreement reportedly has been developed whereby the factory inspectorate makes an initial inspection of new establishments and the Labor Bureau's Inspection Section follows up on a continuing basis.

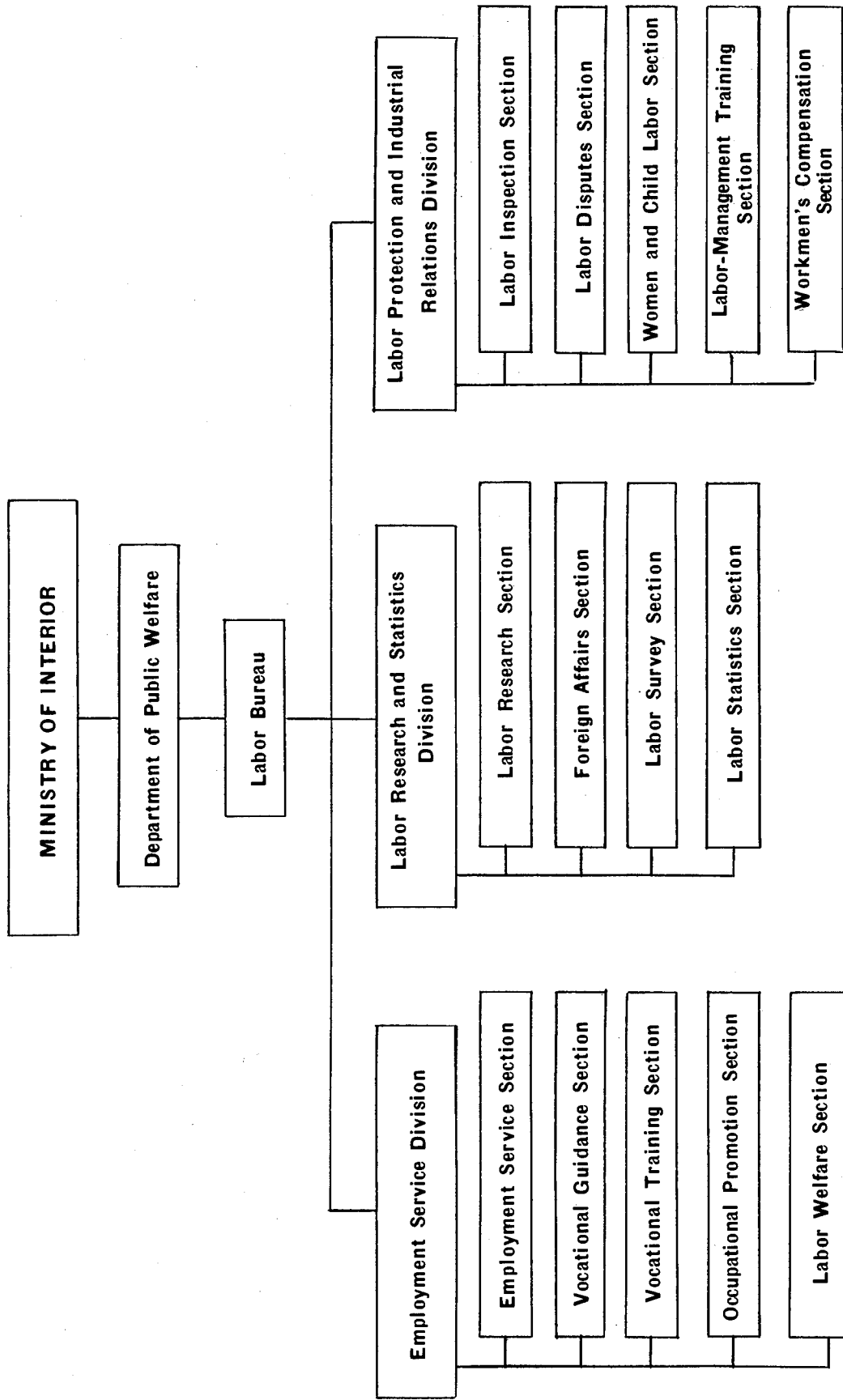
Other Thai Government agencies concerned with labor matters include the Ministry of Education, which has a special Committee for Vocational Training; the Department of Public Welfare of the Ministry of Interior, which has a special division for occupational training for the handicapped; and a National Manpower Board. Thai Government social security activities, since the abrogation of a 1954 Social Security Law, have been administered by the Department of Public Welfare of the Ministry of Interior.

There is no system of specialized labor courts nor have there yet developed any significant territorial administrative units devoted exclusively to labor questions. The Ministry of Interior, and especially the Labor Bureau of its Department of Public Welfare, have primary jurisdiction in labor administration.

Thai labor administration confronts certain problems such as shortages in skilled personnel, inadequate statistical data, overlapping jurisdictions, and the need to relate labor and manpower administration to economic development planning.

Below the national level, there is no formal structure for the administration of labor matters. The provincial governments engage in limited vocational education, social welfare and public health activities, and the promotion of local employment. Such activities, however, if they are of any significant scope, are performed under the

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governors, either by or in conjunction with the field agents of the central ministries concerned. Thus, while local recruitment and other labor relations problems can be discussed with profit between an employer and the appropriate provincial governor or district officer, many major decisions will be made centrally, in Bangkok.

The same general situation prevails in the case of the municipalities. These bodies are authorized to provide local services in such fields as education and training, medical services and public health, and child and maternal welfare services. Labor problems outside these categories usually must be dealt with through the central ministries. Probably the major assistance which can be provided employers by the territorial subdivisions is in connection with labor recruiting. Both rural and urban administrations are more familiar than Bangkok authorities with the immediately prevailing local labor supply conditions. Similarly, local administrative officers will have knowledge of the work habits and traditions peculiar to the locality. In the "up country" or completely rural areas, the assistance of district officers and village headmen is especially valuable in such matters. The administrative chain of command, however, is observed through initial discussion with the provincial governor.

### **Agencies for the Settlement of Disputes**

Labor-management relations are informal and generally on a personal basis. This characteristic reflects the predominance of agriculture, the limited number of wage earners, the small supply of skilled labor, the light manufacturing character of Thai industry, and the fact that even most Western firms in Thailand are engaged primarily in services and the importation of consumer goods rather than in manufacturing. Governmental machinery to settle industrial disputes has not yet been set up.

The Government has taken an active part in attempting to settle disputes. Prior to the inauguration of the Labor Code of January 1957, official intervention in labor disputes was channeled through the Police Department. With the introduction of the new labor law, the then Labor Division of the Ministry of Interior's Department of Public Welfare became the Government's instrument for maintaining industrial peace, though overall legal authority to deal with disputes under the 1957 code was given to a relatively inactive Labor Relations Committee composed of two representatives each from em-

ployers and labor unions, and three representatives from Government. During the first year of the code's operation, the mounting number of disputes and strikes recorded was handled primarily on an ad hoc basis. The Government appointed high-ranking officials of the Department of Public Welfare to provide mediation and conciliation. Arbitration proved unnecessary. Late in 1957, however, a mediation and conciliation service under systematized control was established in the Labor Division (now Bureau) and, in 1958, training courses were inaugurated for Government conciliators.

Currently, despite the abolition of the 1957 Labor Code and labor unions, primary official responsibility is vested in the Labor Disputes Section of the Labor Protection and Industrial Relations Division within the reorganized Labor Bureau. However, governmental mediation by a senior official of outstanding personal prestige remains an important recourse in the event of disputes which the Government considers of major significance to the economy or to international relations.

No special labor courts exist. The police are responsible for enforcement of Government labor decisions. The regular courts have jurisdiction in civil or criminal cases.

### **Participation in International Organizations**

The Thai Government has participated in the ILO since 1919 and is a member of the Southeast Asia Treaty Organization (SEATO), Foreign Agricultural Organization (FAO), World Health Organization (WHO), United Nations Educational, Scientific and Cultural Organization (UNESCO), and also the United Nations Economic Commission for Asia and the Far East (ECAFE). Thai Government representatives have participated in conferences sponsored by some of these organizations and have filed reports with them on special labor aspects. A World Bank Mission worked with the Thai Government from 1957 to 1959, when it published a report on the country's economic development requirements. In the specific area of manpower, the Thai Government accepted the general standards established by the ILO and reached an agreement with that body in 1961; however, it does not ratify ILO conventions or otherwise participate in that organization. In February 1963, an official of the International Confederation of Free Trade Unions (ICFTU) urged the ILO Governing Body to censure the Thai Government for actions attributed to it,

such as restrictions on trade unionism, and for limiting to Government representation the composition of the Thai delegation to the annual ILO conference. No known action has been officially taken to date, although ICFTU protests against violations of trade union rights have been frequently repeated since 1958.

The Thai Government has utilized the technical assistance services of most of the international agencies to which it belongs. Thus, ILO experts have been called upon regularly during the past 10 years for analyses, reports, and recommendations. Recent examples include the arrival of an ILO expert in 1961 to advise on manpower and economic

development, manpower information, and the training of technical and administrative personnel. Earlier ILO studies and reports to the Thai Government dealt with *Labor Conditions* (1954), *Vocational Training of Unemployed Youth* (1958), *Labor Administration* (1958), *Productivity Demonstration* (1959), and *Social Security* (1959).

Thailand thus has maintained an active association with international organizations while simultaneously adhering to a policy of maximum governmental freedom from international commitments in the labor field and the national prerogative to legislate as the Government deems necessary and appropriate.

## Chapter VII. Legislation Affecting Labor

### Constitutional Guarantees

The current interim Constitution of the Kingdom of Thailand was promulgated by the King in January 1959 upon the recommendation and with the countersignature of Field Marshal Sarit Thanarat, Leader of the Revolutionary Party and at that time the country's Prime Minister. The Constituent Assembly is to develop a new permanent constitution; however, no time schedule has been announced for its completion.

Under the interim Constitution of 1959, sovereign power is declared to emanate from the Thai people and judges are described as independent in conducting trials and rendering judgments in accordance with the law. Emphasis is on strong executive leadership. There are no other references to the rights of the people.

### Summary of Basic Labor Legislation

The most extensive single piece of labor legislation that had been developed in Thailand was the Labor Code (Act of B.E. 2499),<sup>4</sup> which went into effect in January 1957. However, this law, which was patterned on modern Western legislation, was abrogated in late 1958 on the grounds that it was not suited to existing labor conditions in Thailand and had tended to foster industrial strife, much of which, the Government alleged, was politically oriented. The comprehensive Social Security Law of 1954 also was abrogated in April 1958, on the

grounds that it, too, was not adapted to Thai conditions.

When Field Marshal Sarit assumed the premiership in October 1958, a number of announcements were made which, in effect, were designed to replace the Labor Code as the chief instruments for government regulation of labor conditions. Chief among these announcements were the following:

1. *Announcement of the Revolutionary Party, No. 19; October 31, 1958 (B.E. 2501).* Repeals the Labor Code (B.E. 2499) and terminates all labor organizations; authorizes the Ministry of Interior to formulate protective labor legislation, engage in the settlement of labor disputes, and inspect establishments.
2. *Announcement of the Ministry of Interior Naming Diseases Arising from Employment; October 31, 1958 (B.E. 2501).* By virtue of *Announcement of the Revolutionary Party, No. 19.* Lists occupational diseases.
3. *Announcement of the Ministry of Interior Concerning Working Hours, Holidays of Employees, Conditions of Woman and Child Labour, Payment of Wages and Welfare Services; December 20, 1958 (B.E. 2501).* By virtue of *Announcement of Revolutionary Party, No. 19.*
4. *Announcement of the Ministry of Interior Concerning Rules of Payment, the Method of Payment and the Amount of Compensation; December 20, 1958 (B.E. 2501).* By virtue of *Announcement of Revolutionary Party, No. 19.*
5. *Announcement of the Ministry of Interior Fixing Work Detrimental to the Health or Body of Employees and Work Considered to be Light Work; January 5, 1959 (B.E. 2502).* By virtue of *Announcement of the Ministry of Interior of December 20, 1958,* concerning working hours, holidays, etc.

<sup>4</sup> B.E. followed by a number refers to the Buddhist year (B.E. signifies Buddhist Era); official documents in Thailand are commonly dated according to this form of calendar designation.

6. *Announcement of the Ministry of Interior Concerning Weekly Day of Rest of Employees in Industrial Undertakings or Commercial Undertakings Employing Less than Ten Employees*; January 23, 1959 (B.E. 2502). By virtue of *Announcement of the Revolutionary Party, No. 19*.

A new and more comprehensive labor act and a new social security act are reportedly being developed by the Thai Government. Until these are promulgated, however, the ministerial directives constitute the major labor law operative in Thailand. Working conditions and other areas of worker concern not dealt with by them or by earlier legislation still in effect, as listed below, are treated by extra-legal processes, in terms of adaptations of Thai custom. These processes may result from negotiations between management and the now stringently controlled trade unions, or from policies developed as part of a firm's personnel management system.

The legislative acts and decrees currently in force which affect labor are as follows:

- Employment Agency Act of 1932  
District Employment Agencies Act of 1932  
Siamese Vessels Act of 1938. (Requires that at least 50 percent of ships' crews be Thai.)  
Industrial Establishments (Factory) Act of 1939. (Deals with worker safety, welfare and health in private establishments, but does not refer to such industries as cement and rubber factories, oil installations, and power plants.)  
Act on Fishery Rights of 1939. (Bans from fishing in Thai waters those Thai fishing ships which are manned by crews which include foreigners.)  
Royal Decrees of November 21, 1946 (B.E. 2489), June 3, 1950 (B.E. 2493), and June 18, 1957 (B.E. 2500). (Names additional kinds of factories to be included in the Factory Act of 1939.)  
Royal Decree of 1949, as amended in 1952. (Excludes foreigners from employment in a large number of specified types of employment.)  
Act for the Promotion of Industry in 1954. (Permits admission of skilled foreign workers and technicians in excess of immigration quotas.)  
Factory Act No. 2 of November 29, 1960 (B.E. 2503). (Amends 1939 Industrial Establishments (Factory) Act and deals with obligations of factory owners and managers to comply with reporting requirements, license requirements, and observation of health and safety rules.)  
Royal Decrees of June 17, 1957 (B.E. 2500), March 14, 1960 (B.E. 2503), and February 14, 1961 (B.E. 2504). (Apply the Factory Acts to additional provinces.)

Among ministerial statutes or executive regulations that limit the employment of foreigners is also included the Occupation Promotion for the Thai People Act of 1956. Government departments require that not less than 50 percent of contract

workers be Thai (75 percent in the Thai Forestry Organization).

Section 117 of the Penal Code prohibits strikes and lockouts or the concerted cessation of trade or business aimed at bringing about any change in the laws of the country, coercion of the Government, or intimidation of the public. Labor provisions date back to the early 1930's; the basic elements of section 117 may have been incorporated in the late 1930's, but the exact date is not known.

### Enforcement

Enforcement problems are of several types. First, there is some overlapping of jurisdiction among the various Government agencies with responsibility in labor matters. One recent example, previously cited, involved the activities of the Labor Bureau's inspection service and those of the Ministry of Industries factory inspectorate, which had responsibilities under the Industrial Establishments Act.

Second, the number of skilled inspectors is insufficient. Thai administrative machinery in the labor field is still relatively new and experimental; the need to engage in this type of activity has been recognized only recently. Some administrative units of the Government have exceedingly small staffs, and there is as yet no large reserve of experienced personnel.

Third, most business and industrial firms in Thailand are small, family-owned, and family-managed, relying heavily on family members even as wage earners. These characteristics, plus the diversity of the business activities engaged in and the absence of widespread trade unionism, seriously hamper enforcement of regulations. (See *Labor Organizations*, p. 35.)

The nature of most business and industrial organizations in Thailand, as described above, combined with the limited enforcement apparatus available, leads the Government to devote particular attention to those firms to whose conditions of employment the laws are most directly applicable. As a result, enforcement of legislation is most effective in the case of foreign-run enterprises. Intermittently, the operations of local Chinese firms are also scrutinized carefully. For the most part, U.S. organizations in Thailand not only adhere strictly to the laws, but exceed the legal minimum requirements in many ways.

## PART III. LABOR AND MANAGEMENT

### Chapter VIII. Labor and Management Organizations

#### Labor Organizations

Trade union organization in Thailand is forbidden by the present Government. A brief discussion of labor organizations as they existed prior to the ban will show the former extent of trade union development, and may suggest the pattern which presumably would prevail in the event the ban should be removed.

By the end of 1957, 136 unions had been registered with the Government, and three legal federations plus one illegal (since 1952) Communist-led federation had been developed. These provided chiefly welfare and benevolent services and, in the case of the legal federations, were sponsored by leading figures in the then Government. With the change of political regime in 1958 and the abrogation of the 1957 Labor Code which had guaranteed the right of workers to form trade unions and bargain collectively, the trade union movement was subjected to extensive investigation followed by stringent controls. A number of union leaders were imprisoned and the unions were severely restricted. The stated objective of the Government was to "clean up" and then regularize labor relations. The International Confederation of Free Trade Unions (ICFTU), as noted, has lodged repeated protests with the Thai Government and the ILO in an effort to speed up the restoration of greater freedom for trade unionism.

Immediately prior to these emergency actions by the present Government, the legal Thai trade union federations were as follows: The Thai National Trade Union Congress (TNTUC), the Free Worker's Association of Thailand (FWAT), and the United Thai Federation of Labor (or Thai National Federation of Trade Unions—TNFTU). The Central Labor Union (CLU), a Communist-led organization formed after World War II, was dissolved officially in 1952.

The Thai National Trade Union Congress, first organized in 1948 as the Thai Labor Union under the sponsorship of former Prime Minister Pibul Songgram, acquired its more recent form in 1951. The organization included both occupational and

regional groups and was affiliated with the ICFTU. It also provided Thai labor representation at ILO annual conferences. Agricultural, mining, retail, and motor tricycle groups were associated with it, as well as workers in Government-owned enterprises. An important element of its financial support had been the subsidy that was paid by the previous Government to promote worker welfare activities.

The Free Worker's Association was organized in 1953 with financial and other support from the official who was then commanding general of the police. It was generally understood that a major objective was to draw Chinese workers away from the Communist-dominated Central Labor Union. With no international affiliations, and a membership estimated at about 14,000 (about 60 percent Chinese), the FWAT acted primarily as a benevolent association. Chief of its estimated 45 affiliates were those of the rice mill and dock workers.

In February 1957, the Thai Government sponsored the establishment of a third trade union federation, the TNFTU. This new group, which proclaimed that it was anti-Communist, had about 17 affiliated unions, but it had hardly been formed when controls on trade union activity were imposed by the Government.

The CLU, registered in January 1947, shortly after its founding had an estimated 51 affiliates, with an estimated membership of between 20,000 and 70,000. It was affiliated with the Communist-dominated World Federation of Trade Unions (WFTU). Although membership was mainly Chinese, and the federation was reputed to be dominated by the Chinese Communists, the national leadership was chiefly Thai and each affiliate was required to have some Thai members. The CLU was dissolved in 1952 by the former Thai Government as part of a move to outlaw communism, but reportedly it continued to function on an underground basis and had an estimated membership in 1954 of 30,000.

The internal organization of TNTUC and FWAT, as well as of the TNFTU, provided for an annual general assembly composed of delegates from the



affiliates. This assembly was authorized to elect an executive council to formulate federation policy, and to select executive officers, including a president and a secretary general.

The trade unionism which had developed was largely dependent on a handful of individuals, most of whom had little or no experience in this field. In addition, because—for one reason—trade unions were new and Thais were inexperienced with private voluntary associations, union members relied on the leadership for all the important policy decisions. The individuals who organized and provided the leadership for the small trade union movement which had emerged by 1957 were described by different observers as frequently being more interested in the political than the economic implications of unionism. This was significant from the Thai Government's viewpoint, because the Chinese work force contained some segments whose ties to the nation were not yet considered cemented. Though the unions, legally prohibited from contributing to political parties, did not openly engage in politics, this was not true of individual leaders prior to 1958, when both Government and opposition factions competed increasingly for worker support.

Currently, as labor unions are prohibited in Thailand they play no role in labor-management relations. The Government seeks to promote worker welfare—through protective legislation to deal with the major aspects of working conditions—by encouraging employers to deal fairly with workers, and by developing its mediation and conciliation services to deal with disputes before they reach the stage of strikes or lockouts.

Several conditions have been responsible for the general lack of any significant popular participation or interest in Thai labor organizations, even when they were legal. Basically, Thai society is still overwhelmingly agrarian and the great majority of the labor force either are self-employed farmers or workers on family farms. In addition, an estimated 60 to 70 percent of the industrial force are Chinese, with the percentage even higher in the

case of skilled labor; their working conditions have not been a matter of primary concern to the predominantly Thai society. Government employees, who constitute a major proportion of wage and salary earners, have always been prohibited from organizing or striking. The remainder of the small nonagricultural labor force is employed in small owner-managed enterprises, characterized by a paternalistic relationship and customary direct settlement of grievances.

### **Management Organizations**

With labor organizations in Thailand not yet developed, and industrial disputes limited in both number and participation, the two general employers' associations, the Thai and the Chinese Chambers of Commerce, have not organized for dealing with labor-management problems. Together with the few small occupational associations (the Tin Miners' Association, for example) they have addressed themselves to broad economic problems and to the relationships between Government and private enterprise, which have been consistently good. Management cooperation with Government has been fostered by both the Government's encouragement to private enterprise, and the Government's comprehensive legal authority over economic affairs.

### **International Ties**

A few Thai labor organizations formerly participated in certain international bodies (see Labor Organizations). The TNTUC was affiliated with the ICFTU and had represented Thai labor at the ILO. The Central Labor Union, before it was banned in 1952, joined the Communist-dominated WFTU. At the present time (1963), Thai delegates to the ILO are selected by the Government without reference to worker or employer organizations. Thai employer organizations do not actively participate in international business associations.

## Chapter IX. Industrial Relations

### Collective Bargaining

Although collective bargaining was authorized under the Labor Code of 1957, there is no tradition of organized collective bargaining. This was clearly demonstrated during the strikes of 1957 and 1958, the most important of which were against Western-owned oil companies. On those occasions, the Government was called upon almost at once by labor unions and employers to mediate settlements.

Announcement No. 19 of the Revolutionary Party, on October 31, 1958 (B.E. 2501), repealed the Labor Code and declared that "all the labour federations and unions shall terminate accordingly." The Director-General of the Department of Public Welfare was made responsible for liquidating existing federations and unions. No subsequent decree or ministerial order dealing with labor affairs has authorized unionization or collective bargaining. However, the Government reportedly is considering the creation of worker-management committees.

### Settlement of Disputes

During 1957 and the first half of 1958, labor unrest, including resort to strikes, increased considerably. The number of strikes rose from 12 in 1956 to 21 in 1957, and the number of workers involved from 3,318 to 12,885. In the same period the average duration of work stoppages rose from 5.4 days to 10.1 days. Settlements resulted mainly from Government mediation, provided through the Department of Public Welfare and its Labor Division. Paralleling this development was the fact that, in 1957, 136 labor unions were registered by the Labor Division, and an additional 15 applications were pending, while only 2 unions had ceased to function.

An ILO expert, in an on-the-spot survey of the causes of this labor unrest, concluded that, although the 1957 Labor Code undoubtedly had encouraged greater collective action by the workers, contributing to an increased number of open disputes on various issues, the majority of these disputes and strikes arose, basically, from such factors as the workers' ignorance of their rights and responsibilities, lack of familiarity with collective-bargaining procedures on the part of both labor and management, and the absence of adequate Government conciliation ma-

chinery. However, the new Thai Government viewed this sudden outbreak of labor unrest not only in the above terms but also as a demonstration of both the weaknesses of the Labor Code and the extent of Communist infiltration of organized labor.

The declared issues in the greatest number of disputes were (1) wage disagreements, (2) company employment regulations and working conditions, and (3) dismissals. A number of these disputes involved Western firms. Apart from a desire for higher wages and greater additional benefits such as increased housing allowances, paid transportation, and more free medical and welfare services, workers also contested company dismissal of certain alleged incompetent or insubordinate workers.

With the introduction of the regulations now in force, labor-management disputes involving collective action have been few. Management has indicated that grievances tend to be individualized and only infrequently voiced. A dispute of any consequence, in terms of the numbers of employees involved, would probably be followed by Government intervention.

### Relations in Nonunion Enterprises<sup>5</sup>

Grievance and complaint procedures vary from enterprise to enterprise. Personal discussion between employer and worker is common in small firms (which constitute the majority) and also in many larger firms, especially if the employee involved is in a high position. In other firms, usually the more modern, formal grievance procedures prevail. Workers express their grievances to a supervisor above their immediate superior (if the latter is involved), or to the company personnel manager or industrial relations officer (if such office exists). The Ministry of Interior's Announcement of December 20, 1958 (B.E. 2501), requires the inclusion in a firm's written employment regulations of a statement on the individual firm's authorized procedures for submission of worker complaints.

In general, the Thai and Chinese-owned firms rely on traditional relationships. Technical assistance experts, such as those from the ILO, have consistently indicated a need to provide such firms

<sup>5</sup> There are no union enterprises in Thailand.

with modern management training. Little action toward this end has been taken. Western-owned firms, particularly the branches of international companies, have greater experience in this field and apply more detailed procedures. Generally, however, they have sought to adjust their practices to Thai traditions. Also, they have attempted to reduce the possibility and incidence of grievances by introducing elaborate welfare, training, and recreational services on a paternalistic basis, while at the same time paying substantially higher wages than the prevailing average for comparable work.

The announcement which repealed the Labor Code in 1958 specifies in article 4 the following procedures for those disputes which are not resolved within a company:

In case of conflict between the employer and employee relating to employment, wages, and suspension of employment, the competent authorities appointed by the Ministry

of Interior are empowered to settle the conflict and to make known the decision to the parties to the conflict as soon as possible.

The parties have the right to appeal against the decision to the Director-General of the Public Welfare Department within 15 days from the day of receipt of the decision. The Director-General of the Public Welfare Department shall pronounce on the appeal and make his decision known to the parties as soon as possible. The decision of the Director-General of the Public Welfare Department shall be final.

This provision of the announcement presaged the Government's dominant role in labor disputes, and a determination to see that such disputes are settled. If the mediation and conciliation machinery within the Labor Bureau fails to resolve a dispute, the Government may resort to compulsory arbitration. Even the disputes of 1957 and 1958, under the Labor Code, were mediated by high Government officials and the recommended settlements were accepted by all parties.

## PART IV. CONDITIONS OF EMPLOYMENT

### Chapter X. Employment Practices

#### Records and Reports

The December 20, 1958 (B.E. 2501), Announcement (pt. 4) of the Ministry of Interior, stipulates a number of requirements in connection with maintaining records. An employer must keep the prescribed records ready for inspection by a labor inspector of the Labor Bureau, and must maintain them for at least 5 years. The specified types of records are as follows:

1. In the case of employment which constitutes a threat to the health or life of workers, the employer must keep on hand medical certificates based on annual examinations of these workers by a first-class physician (sec. 51).
2. Records of employment must be kept which contain at least the following information: Name and surname of employee; sex; date of birth; kind of work; date of hiring and discharge; starting and closing hours of each workday; wages; and date of wage payments.
3. Rules of employment must be either posted in a conspicuous place in the establishment or kept in the employer's possession for the information of employees. These rules must cover the following: Normal hours of work; hours of rest; weekly day of rest; holidays as observed by custom; annual leave; regulations relating to leave of absence; employee discipline; procedure for submission of complaints; and regulations regarding overtime and holiday work.

Overtime or holiday employment requires the following information: Number of overtime hours; number of hours worked on holidays; overtime wages and wages for holidays; and date of payment of overtime wages and wages for holidays.

The same ministerial announcement also states that a labor inspector may enter any establishment during working hours to investigate facts relevant to labor law enforcement, provided he shows his identification card and states his reasons for the visit. The employer must provide the inspector with reasonable access to all information relative to the inspection. The labor inspector may summon an employer or his representatives to his office to produce any statement or evidence or any document necessary for the conduct of an examination. After written authorization by the Chief of the Labor Bureau in the case of Bangkok and Thonburi provinces, or by the Governor of a province other than Bangkok and Thonburi, the labor inspector

may also take a physician, social worker, or other expert with him to inspect an establishment.

Under the Industrial Establishments (Factory) Act of October 24, 1939, when a factory is ready to open, its owner gives written notice to the competent official of the Ministry of Industries so that the factory may be inspected before operations commence (sec. 9). The factory manager is required to report to the Ministry any accidents on the factory premises which either (a) caused death or an injury which prevented a worker from returning to work after 72 hours or (b) shut down the factory for more than 7 days.

The Factory Act (No. 2) of November 29, 1960 (B.E. 2503), in a Section 10 added to the original Act, requires that managers submit a report to the Ministry on a prescribed form showing the annual operations and production record of their plants; failure to do so, or falsification, makes the manager liable to a fine of 2,000 baht.

Periodically, other reports are requested of business firms by such Government agencies as the Police Department, municipal authorities, the Department of Public Welfare, and tax agencies.

The posting of information in prominent places, as well as the distribution to employees of other information bulletins and circulars, is customary in the more modern enterprises.

#### Preemployment Inquiries

All citizens and resident aliens are required to have police identification cards, which include a statement of occupation.

Some limited information is also available to a prospective employer from the Government employment services on the workers registered with those services, although facilities for verification of experience records normally do not exist. Generally, therefore, firms must do their own verification by direct contact with former employers, schools, etc. In some cases, the Police Department may be of assistance in verifying the absence of a criminal record.

In the case of children over 12 but under 16 who request written permission of a Labor Bureau

"authorization officer" to work at more than light labor, or in conflict with school hours, a specific procedure is stipulated. The child must produce for the "authorization officer" the following evidence:

1. A statement from the prospective employer showing kind of work, hours of work, as well as other information;
2. A document showing the child's age;
3. A certificate from a first-class physician showing that the child is physically fit for employment;
4. Written approval of parents or guardian; and
5. A reference from the child's school showing school hours and the child's performance record.

## Hiring

Recruitment and hiring are neither highly formalized nor extensively regulated by the Government; considerable flexibility is left to both workers and employers. Thus, Thai labor law that is now operative is specifically concerned with hiring primarily through authorizing the establishment and operation of employment services (both public and private), and through certain provisions designed to protect women and children; women cannot be hired for certain specified occupations (listed in ch. 1 of the December 20, 1958, Announcement of the Ministry of Interior) and children cannot be hired under age 12, or for certain types of arduous work (listed in ch. 2 of the above announcement), or on work which conflicts with their school hours. All workers must have police identification cards. Modern firms customarily require an initial physical examination for permanent workers.

Labor may be recruited through any of a number of sources. These can be summarized as follows:

*Government Employment Services.* An Act of 1932 authorized the establishment of a free employment service for Bangkok and Thonburi and for such other provinces as might require a similar facility. By 1954, the only such employment office functioning was in Bangkok. According to an ILO observer at that time, it was placing an estimated 100 to 200 workers per month, mainly domestic workers, as well as a few persons in such occupations as truck-driving and sawmill work. Several additional employment offices have opened since, including one or more for each of several regions outside Bangkok, but generally they are reported as not well organized or not adequately staffed. The employment service section of the Bureau of Labor has few employees,

and has concentrated primarily on placement of migrant farm workers. (Applications from about 4,000 were handled in 1961.) The section discourages migration of unskilled workers to Bangkok, in accordance with the Government's efforts to develop economically depressed areas. Another reason for the still limited role of the employment services is the reluctance of both workers and employers to use them. Many workers either do not know of their existence or hesitate to register; usually, jobs are relatively easy to find by informal means. Many local employers apparently hesitate to contact the service because of their lack of familiarity with it. A prospective employer will find that the provincial governor, district officer, or village headman may be of considerable help in locating workers in rural areas.

*Labor Contractors.* A major, longstanding means of obtaining labor is through a labor contractor. Workers are hired in this way for rice milling and sawmilling, forestry work, mining, and port and construction work, and other types of activity requiring large pools of manpower. Two types of reimbursement are customary. Under one type, the labor contractor is paid by the employer on a piece-work basis. It is then up to the contractor to pay off the workers, keeping for himself a margin (usually a high percentage) from the total sum. Under the second method, the contractor is paid for a specified number of man-days at fixed wage rates, plus a commission based on the total payroll and, in addition, an amount agreed upon between contractor and employer made up of deductions from the wages of each worker. Under this procedure, too, professional observers have noted that the contractor frequently ends up with a disproportionate amount, sometimes at variance with the original agreement. In the past, also, it was permissible under law for the contractor to pay part of the workers' wages in kind. A number of abuses derive from this system. Contractors frequently advance money to workers who then may become indebted to the point where they must continue to work for a given contractor. In some arrangements, moreover, the contractor also acts as gang foreman; in others, he is an entrepreneur only. Thus, this method, a traditional one in Thailand and elsewhere in Southeast Asia, may permit abuse of the workers and place no real responsibility on employers for worker conditions.

*Direct Recruitment.* Many Thai establishments prefer to hire directly. The actual hiring practices involved vary according to the management methods used. The most modern industrial firms in Bangkok have personnel departments which use modern recruitment and selection techniques. The great majority of Thai and Chinese firms, however, tend to regard hiring and other personnel activities as among the less important aspects of management. In such instances, hiring of blue-collar workers is often left to a foreman, who may recruit with or without the participation of senior supervisors. Apart from the potential problem of securing correct selection and placement, this method has made possible various forms of "kickbacks."

The Thai Government follows regularized hiring procedures for all job applicants. These include the completion of detailed questionnaires by persons seeking responsible or permanent positions, and subsequent interviews.

*Academic and Vocational Training Schools.* Educational institutions can be approached as a source of skilled and semiskilled employees. As they are integrated into the public service system, however, it is usual to make this approach through an appropriate official of the Ministry of Education. The schools themselves are cooperative in attempts to place their graduates properly, but their major problem is their present inability to meet the needs for skilled persons.

*Private Associations and Sharing Arrangements.* Workers have sometimes been hired through veterans' associations and other groups. Where a particular type of skilled labor is extremely scarce, groups of employers have entered into sharing arrangements; an example of this was recently provided by the Thai mining association.

According to early legislation still in force (1964), various Government enterprises are required to limit the employment of foreigners, while some Government departments require that at least 50 percent of contract workers be Thais. A Royal Decree of 1949, amended in 1952, also prohibits employment of foreigners in a number of specified types of employment. This is particularly directed at preventing Chinese monopolization of certain crafts and skilled positions, but is enforced only in those occupations where competition with Thai labor is considered detrimental to the latter. An

act of 1954, however, permits entry of certain skilled foreign workers and technicians in excess of immigration quotas. This indicates that the general policy of the Thai Government is to encourage maximum development of Thai manpower resources and skills without, on the other hand, weakening national economic development.

*Private Employment Agencies.* The Government authorized the establishment of private employment agencies by the Employment Agency Act of 1932, which was to be implemented by the Labor Bureau of the Department of Public Welfare, Ministry of Interior. The Act provides for the licensing of such agencies, and for the regulation of their conduct, operations, and fees. Very few private employment agencies have actually been established; some were set up to provide foreigners with domestic servants. The Thais still prefer either direct recruitment, or the use of labor contractors, to agency recruiting.

### **Notice Periods and Separations**

The December 20, 1958 (B.E. 2501), Announcement of the Ministry of Interior deals with two types of separation. To those employees hired for an indefinite term but dismissed after 180 days or more of work, the employer must provide a statement of his reasons for dismissal and give the employee the equivalent of at least 30 days' regular pay. Where a regular employee has worked for at least 30 days but less than 180 days, the employer is required to give notice of his dismissal and reasons for this action at least 30 days in advance. Failure to provide such advance notice makes the employer liable for compensation equivalent to at least 30 days' pay. Both legal and previously agreed-upon holidays are included in the periods of employment. The employer is not responsible for dismissal compensation in the case of certain types of employee misconduct. (See next section.)

A foreign construction firm operating at the Bhimbol Dam site dismissed approximately 140 workers in April 1962, having given all workers one or more warnings for improper work performance, prior to their dismissal. However, the company failed to provide 30 days' severance pay in lieu of 1 month's advance notice. Upon an investigation of the workers' complaints, the Labor Bureau's conciliation service arrived at a compromise the following month: 75 workers were retired, severance

pay was provided for another 24 workers, ranging from 2 weeks' to 1 month's regular pay, and 41 particularly bad offenders were dismissed with no severance pay. At the same time, it was suggested to the company that it discuss such problems personally with each worker in the future, if possible before providing him with a formal warning slip.

Procedures applying the above legal requirements on notice and separations constitute the most advanced practice. Practices still based on custom are short of these stipulations.

### **Disciplinary Actions**

The December 20, 1958 (B.E. 2501), Announcement of the Ministry of Interior, in its discussion of dismissal compensation (pt. I, ch. 4), specifies as justification for dismissal without compensation the following types of employee behavior:

1. Willful action causing damage to the employer;
2. Gross negligence causing damage to the employer;
3. Violation of company regulations thereby causing damage to the employer;
4. Intentional or frequent disobedience of company rules;
5. Absence from duty without justifiable reason for more than 7 consecutive days;
6. Dishonesty in performance of duties; and
7. Employee imprisonment for serious offenses.

This constitutes the major reference in operative labor law to disciplinary action. The remainder of this legal statement indicates that employers are free to impose dismissal as a disciplinary action for other reasons also, but that they must adhere to the advance notice and/or compensation requirements of the law.

Disciplinary action short of dismissal is left to the employer, subject to prohibitions against any form of physical punishment. Employers have found that all forms of disciplinary action, including dismissal, need to be preceded by a private conversation between the supervisor (or member of the personnel staff) and the worker, which takes into account the matter of "face". This should include a careful explanation by the supervisor of the ways in which the worker's conduct has been unsatisfactory, and opportunity should be provided for the employee to make explanation. It is advisable to follow the Thai practice of administering all necessary rebukes in very serious but soft-spoken terms. The worker should be given an opportunity to correct his behavior, if possible, before any additional disciplinary action is taken, such as giving a written warning.

Wage reduction cannot be resorted to for disciplinary purposes, since Thai law prohibits such reductions for any reason unless agreed to by employees when hired. Similarly, demotion has not been a successful disciplinary device. The chances of worker resentment and alienation at this loss of "face" are so great that actual dismissal may be preferable.

Procedures for appeals against disciplinary action vary widely, and reflect the degree to which the company has modernized its management. Some of the most modern firms have established procedures, particularly for white-collar employees, similar to those prevalent in Europe and the United States. The workers' ultimate appeal is to the Labor Bureau, particularly if compensation for dismissal is involved.

## **Chapter XI. Hours of Work and Premiums**

### **Hours of Work**

The ministerial Announcement of December 20, 1958 (pt. I, ch. 1), specifies maximum hours of work for industrial and commercial undertakings employing 10 workers or more. Normal hours of work cannot exceed 48 per week in industrial establishments, and 42 per week in those which involve activities detrimental to a worker's health or person.

In the case of commercial undertakings, the normal hours of work are not to exceed 54 per week.

The same regulation requires that workers be granted a rest period of not less than 1 hour per day. This rest period must be provided after no more than 5 hours of work, and is not to be counted as working time. If agreeable to both employer and employees, rest periods of less than 1 hour at a time may be arranged, but each period must not be

less than 20 minutes, and the total per day must not be less than 1 hour. The major exception to the rest period requirement is where work is intermittent, so that employees may rest in the inactive intervals, and if they have agreed to do so.

Western commercial firms have generally tended to follow Thai Government office hours. These consist of 6 hours of work per day (9 a.m. to 12 noon; 1 p.m. to 4 p.m.) Monday through Friday, plus 3 hours (9 a.m. to 12 noon) on Saturdays, to make a 33-hour workweek. Progressive industrial firms customarily have required no more than a 48-hour workweek. An ILO survey conducted in October 1961 reported the following normal weekly schedule of hours in commercial undertakings in Bangkok:

	<i>Weekly hours</i>
Laboratory assistants (both sexes).....	48
Retail grocery sales persons.....	48
Wholesale grocery stenotypists.....	48
Bank tellers (men).....	40
Bank accounting machine operators.....	40

Children, who cannot legally be employed under the age of 12, are given special protection. An employer may not employ a child who is over age 12, but under 14, during normal school hours, and cannot employ him for heavy work unless special permission is obtained from the appropriate officer of the Ministry of Interior. Similarly, he may not employ a child between ages 14 and 16 except in light work and at hours not interfering with school attendance, except on written permission from the appropriate "authorization officer" of the Ministry of Interior.

Other legal restrictions in the case of child labor stipulate that children between ages 12 and 14 cannot work longer than 6 hours a day; children over 14 but under 18 cannot work for over 8 hours a day; and no child under 18 years of age can be employed at night except as a cinema actor, play actor, or similar type of performer. Children under 15 also cannot be employed on a weekly day of rest, on a customary holiday, or during their annual vacation.

### **Nightwork**

Nightwork is restricted only in the case of women and children. Women may not be employed in industrial establishments between 10 p.m. and 6 a.m. or in commercial establishments between

midnight and 6 a.m., except in cases where the work must be performed at these times and permission is obtained from the designated "authorization officer" of the Ministry of Interior (normally an official of the Labor Bureau's Women and Child Labor Section). Children under 18 years of age may not be employed in industrial establishments between 8 p.m. and 6 a.m. or in commercial establishments between 10 p.m. and 6 a.m., unless they are theatrical performers.

Within the above legal limitations, prevailing practice in the more modern firms is to limit night-work to essential activities.

### **Overtime Premium**

The Ministry of Interior Announcement of December 20, 1958, stipulates that time-and-a-half overtime pay must be provided for each additional hour when employees work in excess of the maximum hours specified, or otherwise work beyond the length of the time agreed to at the time of hiring. Hours of work for purposes of regular overtime wages cannot, however, include hours of work during a weekly day of rest, which are paid for as indicated in the section on Periodic Rest Day Premium.

Overtime payment for work on a customary holiday, or an annual vacation, is based on a different formula; it consists, for monthly, daily, hourly, and piece workers, of not less than the regular rate of pay for the respective category. The calculation of overtime wages for piecework must reflect the increased production that would result from the overtime.

This same law also states that personnel are not entitled to overtime payments if engaged in the following occupations (employers may, however, agree to pay overtime wages to these employees if they so desire):

1. Supervisory work. (See also No. 14, below.)
2. Technical or expert work.
3. Confidential work.
4. Railway traffic operation control.
5. Goods or materials transportation.
6. Work connected with the transport of passengers or goods by inland waterway or by sea.
7. Work connected with telegraph, telephone, or radio communications, or wiring or junction operations.
8. Dredging.
9. Work connected with sluice, water-lock or reservoir control.



10. Work connected with water-meter reading and water gaging.

11. Work connected with the maintenance of canals or ditches, dams, or dikes.

12. Watchman service or premises maintenance.

13. Firefighting.

14. Work requiring travel outside the premises and without definite working hours. In addition, at this point the law specifically declares that supervisory employees are not entitled to overtime wages for holiday work unless their employer agrees.

Under the present ministerial orders, an employer may require his employees to work on a weekly day of rest, holiday, or annual vacation if such work is necessary either because the character of the activity is such that it must be carried on continuously or because of an emergency which threatens the employer's business. In the single exception of work during an annual vacation, the employee's agreement must be obtained.

### **Paid Leave**

The leave provisions included in the December 20, 1958, Announcement of the Ministry of Interior cover annual, sick, and maternity leave. Annual paid vacations of at least 6 days (in addition to the weekly days of rest and customary holidays) are authorized for employees who have worked continuously for 1 full year. These regular vacations, upon agreement between employers and employees, can be carried over in whole or in part to the following year. Workers can be employed during their annual vacations only if the employer deems it necessary and the employee agrees.

All regular employees are entitled to sick leave of not less than 30 days per year, exclusive of weekly days of rest, customary holidays, and annual vacations. To be granted sick leave, an employee may be required by his employer to produce a certification of illness from a first-class physician, obtained at the employer's expense. If the firm maintains such a physician, the employee must be examined by him unless he cannot appear for examination. If no first-class physician is available, the employer and employee must reach an agreement on the sick leave, as the situation arises.

An employee on sick leave is entitled to his wages for the entire period of absence at one-half the regular rate of pay plus the actual expense incurred for medical treatment, but the latter is not to exceed

the wages being paid to the employee for the time of his sick leave. Monthly employees are not entitled to these wages, except at the discretion of the employer, but are reimbursed for the expense of treatment.

A pregnant woman, upon providing her employer with a certificate by a first-class physician, is entitled to a 30-day leave of absence both before and after delivery. If she has worked continuously for not less than 180 days, she is entitled to wages during the leave for not less than 30 days at the rate she had been receiving. For the purpose of reckoning these periods, holidays to which the woman is entitled are added to the periods mentioned.

The law further states that, in the case of medically certified illness due to childbirth, the female employee is entitled to an additional 30-day leave without pay. Moreover, if the employee on maternity leave provides certification of inability to perform her previous work, she may request a change of work for a temporary period. The employer must consider such a request, though he is not compelled to honor it. Where a first-class physician is not available to provide certification, an agreement must be reached between employer and employee.

### **Periodic Rest Day Premium**

Employees are entitled to a weekly day of rest of at least 24 consecutive hours, the interval between such weekly days of rest not to exceed 7 days. Where employees work on their weekly day of rest, they are paid overtime as follows: Monthly employees receive at least their regular rate of pay, employees paid by the day or hour receive at least twice their regular rate, and employees paid on a piecework basis receive at least double the payment for work completed on that day.

Although, on the basis of the Buddhist (lunar) calendar, a shifting weekly rest day can be designated, modern private firms customarily designate Sunday. Moslem workers in regions such as the four southern provinces may express a preference for Friday as the weekly day of rest.

### **Holiday Premium**

The Thais recognize a number of legal holidays. In addition, they celebrate a large number of customary holidays, many not formally acknowledged by

business firms or the Government Civil Service. An estimated 27 or 28 public holidays are celebrated annually. Prior to introduction of the now defunct Labor Code of January 1957, very few industrial establishments paid workers for more than 3 or 4 of these holidays. Those who did usually provided full pay for some 12 to 15 of the public holidays.

The 1957 Labor Code stated that all employees were entitled to at least 13 paid public holidays each year. The current regulations in the ministerial Announcement of December 20, 1958, state that regular employees are entitled to paid holidays, as observed by custom, of not less than 12 days per year. Moreover, if the customary holiday falls on the weekly day of rest, the following day is observed as a holiday. The law further stipulates that the holidays shall be agreed upon between employers and employees.

Leading State holidays and ceremonies currently observed are:

Rack Na (First Ploughing).....	April 1
Chakkri Day (Founding of the Royal Dynasty).....	April 6
King's Coronation Anniversary.....	May 5
National Day.....	June 24
Queen's Birthday.....	August 12
United Nations Day.....	August 12
Chulalongkorn Day.....	October 23
King's Birthday.....	December 5
Constitution Day.....	December 10
Official New Year's Day.....	January 1
Chakkri or Royal Memorial Day.....	February 28

Thai law does not provide premium pay for work on holidays. It does provide that if an employee works on a holiday observed by custom, overtime wages must be paid as follows: (1) Monthly employees receive not less than the regular rate of pay; (2) hourly or daily employees receive not less than the regular rate of hourly or daily pay; (3) piecework employees receive not less than the regular amount due for work completed on that day. Higher premiums can be paid if the employer so desires.

## Chapter XII. Wages and Supplemental Payments

### Base Pay

The Thai Ministry of Interior Announcement of December 20, 1958, does not establish minimum wage levels. However, it does specify certain wage requirements:

1. All wages and all overtime must be paid in Thai currency unless the employee agrees to receive payment by check or in foreign currency. No wages may be paid by coupon or any other article in lieu of money. However, for some work as established by custom and if it benefits the employee, wages may be partially paid by a reasonable number of articles of utility to the employee and his family.

2. Employers may not reduce wages or any form of overtime payment unless reductions are either authorized by law or previously agreed to by the employees.

3. Wages must be paid at the place of employment. Payment elsewhere is permitted with the employee's consent, but may not be in bars, restaurants, or shops, except for the employees of such establishments.

4. Wages shall be fixed by employers for all kinds of work with due consideration for both the quality

and quantity of work involved. The law does not enlarge on this matter.

5. Pay is to be equal for the same work under the same conditions, regardless of sex.

6. Employers must pay all forms of wages at certain fixed intervals unless exceptions are agreed to by both parties or customary practice supports a different arrangement.

7. Employers who default on wage payments of any type are required by law to pay interest to the employees affected at the rate of 15 percent a year over the period of default. Willful defaulting on the payment of wages without any reasonable grounds, if extended beyond 7 days after the date payment was due, imposes a further penalty on the employer, who must then pay additional wages at the rate of 15 percent of the amount due for every 7-day period. Interest charges cease when the employer is prepared to make payment and has deposited all wages and interest with the Chief of the Labor Bureau of the Department of Public Welfare, or with the governor of the province in which he is functioning.

Apart from these measures, wage and salary administration generally is left to private determination. Since uniformity in wage classification is

lacking, current practice can be analyzed only in terms of broad occupational and skill categories. Generally, Western firms try to adapt their techniques to the customary expectations of Thai employees, as well as to seniority and skill requirements. U.S. Government agencies functioning in Thailand have been able to introduce their normal position classification methods, with certain adaptations. Thai administrative and managerial personnel are particularly familiar with rank classification methods because the Thai civil service uses this system. As a result of this familiarity, there is a tendency on the part of Thai white-collar employees to expect pay related to their formal education rather than their actual specialized skills. Many also regard general administration as having much higher prestige than scientific and technological occupations. In the case of women, custom frequently has supported lower wages for the same work. Women's wages have been estimated by expert observers to average, currently, about 70 percent of men's. In the most modern firms, however, the disparity is customarily less.

An indication of pay rates is given in a December 1962 report filed by a U.S. management consulting firm with the Thai Ministry of Industries and the U.S. AID mission in Bangkok, on the feasibility of manufacturing water pumps in Thailand. These pay rates were compiled on the basis of a survey of wages being paid at the time in Bangkok workshops and factories by both foreign and local employers (table 4). (Bangkok wage rates tend to be higher in most occupational categories than rates outside the capital.)

TABLE 4. PAY RATES OF SELECTED ADMINISTRATIVE AND SERVICE PERSONNEL (BANGKOK), 1962

Occupation	Number required	Monthly rate (baht <sup>1</sup> )	Annual rate (baht <sup>1</sup> )	Annual rate (U.S. dollars)
Total			400,800	\$20,040
General manager	1	10,000	120,000	\$6,000
Sales manager	1	5,000	60,000	3,000
Production superintendent	1	3,000	36,000	1,800
Engineer	1	3,000	36,000	1,800
Office manager (bookkeeper)	1	4,000	48,000	2,400
Secretary-clerk (general office)	1	2,000	24,000	1,200
Utility workers (stores clerk, janitor, truck operator, maintenance mechanic, etc., averaging 800 baht per month)	8	6,400	76,800	3,840

<sup>1</sup> 1 baht=US\$0.05.

SOURCE: Ebasco Services, Inc., New York, N.Y. Report to Thai Ministry of Industries and U.S. AID Mission, Bangkok, 1962.

The same 1962 survey showed the following rates of base pay by the hour. These were stated in terms of pay rate ranges, partly because of widespread diversity, and partly because of the varying extent to which many workshops supplement their hourly pay rate with meals and lodging.

Job Description	Range of hourly wage rates	
	Baht per hour	U.S. cents per hour
Light tasks (assembly and other light duties)	1.96 to 3.35	10.0 to 16.75
General labor	2.5 to 4.0	12.5 to 20.0
Maintenance mechanic, first class	4.0 to 8.0	20.0 to 40.0
Carpenters	5.1 to 8.3	25.5 to 41.5
Service (warehouse, janitors, forklift operators, etc.)	3.0 to 5.0	15.0 to 25.0
Machine tool operators	4.0 to 8.3	25.5 to 40.0

In Bangkok, the average in most workshops was somewhat below the middle point of the ranges given. Most employees, the survey analysis noted, start at the lower rate and, if qualified, reach nearly the middle point after an initial training period of 6 months or more.

Findings from an ILO wage and salary survey in Bangkok in October 1961 are given in table 5.

Additional indications of pay levels are provided by the following examples:

A light bulb factory in Bangkok offering 430 baht per month to manual laborers in January 1962 was flooded with job applicants.

In March 1963, manual laborers of the Municipality of Bangkok were receiving the equivalent of 900 to 1,200 baht per month when they were paid on a daily basis. They protested strongly against the expressed intention of the Ministry of Interior to put them on a 450-baht-per-month salary.

A local corrugated tin company reported paying skilled factory workers 500 baht per week base pay.

Generally, foreign employers are expected to pay somewhat higher wages than local firms. On the other hand, if they exceed local salary levels by too wide a margin, many local employers feel this may promote inflation and constitute unfair competition. As a result, foreign employers normally pay base wages which are slightly higher and then provide a number of additional fringe benefits. These, the most modern local employers also make available. Distribution of labor costs among the different categories of workers cannot be readily estimated.

### Supplemental Payments

Although no regular forms of supplemental pay exist outside the Civil Service, various types of

supplements and bonuses are customary. Attendance bonuses are often paid in private enterprise as a means of keeping absenteeism to a minimum. A widespread practice which regular employees look forward to is an annual bonus, during the Christmas-New Year period, usually equivalent to between 1 and 3 months' basic wages. Chinese workers expect an additional bonus at the Chinese New Year. Annual bonus payments are often proportionately higher for skilled than for unskilled workers. Frequently they are prorated for workers who have been employed for less than a year.

Employees in certain occupations also customarily receive supplemental payments in kind. Contract manual laborers and domestic servants are examples. Other groups such as plantation workers and rice mill and sawmill employees normally have been provided with both food and lodging. Uniforms and some equipment are commonly supplied to employees who require such items to perform their jobs; vehicle drivers, for example. Many other special types of assistance are available in individual situations, such as emergency funds for medical care. There is considerable variation according to occupation and company policy, including the extent to which it incorporates welfare services into its employee relations program.

Other types of supplemental payment and bonus reported by individual firms are as follows:

1. A local rubber processing and manufacturing company has a merit differential for blue-collar workers of 12 additional baht per day and a simple lunch. After 3 months of meritorious service, workers receive a differential of 16 baht per day and a better lunch; the most skilled workers reach 20 baht per day and a more elaborate lunch as their merit differential.
2. Some local firms pay 150 percent of daily pay for sick-leave days not taken.
3. Some form of paid training, most often on the job, is customary in manufacturing firms, as a type of merit bonus.
4. A local company manufacturing corrugated tin reported providing one meal a day for its factory workers.
5. A local cement company, with a European manager, reported providing its workers with free housing, a hospital, free medical care, payment of their taxes, and a food allowance in cash rather than in rice.
6. Where workers who must commute to work have no access to public transportation, some firms provide buses or trucks. Transportation to school may also be provided in similar circumstances for children who live in company housing.

In the case of Thai civil servants, low base salaries are supplemented by cost-of-living allowances which

often exceed base pay, attendance and education allowances, tax-exemptions, and certain other non-monetary fringe benefits including access to Government-operated recreational and transportation facilities.

### **Withholdings and Deductions**

There are no known formal withholdings or deductions, other than those imposed by individual firms as part of their special welfare programs or because of emergency wage advances to workers. Disciplinary deductions are largely prohibited by the Ministry of Interior's Announcement of December 20, 1958, except where there is a prior agreement between the employer and the employee.

### **Pay Changes**

Pay increases provided by Western firms operating in Thailand tend to be based on the criteria and practices operative in the home offices of these firms. The most modern local firms also provide for various forms of pay increase, both regular and special. In the case of regular employees, it is normal to reward satisfactory work by small periodic and almost automatic increases (quarterly, semiannually or annually). In addition, merit differentials become incorporated into an employee's regular pay. Some firms have regular salary steps up to a maximum for each job classification. Training incentives may be provided in the form of pay increments for those who have successfully completed training courses which upgrade their skills.

Because of legal restrictions on wage reductions and the problems of morale and loss of "face" which would result from any effort to demote an employee or reduce his wages, the starting pay level for all employees is usually considered very carefully. Need for such careful consideration is enhanced by the uncertainty of obtaining full and accurate information in preemployment inquiries, and the fact that many workers are as yet neither fully committed to industrial employment, nor completely adapted to the types of demands made on them by modern industry. It is, therefore, generally considered advisable to have an opportunity to evaluate an employee's performance on the job before making a firm commitment as to his pay classification.

TABLE 5. AVERAGE HOURLY WAGE RATES IN BANGKOK, 1961

[In baht <sup>1</sup>]

Occupational group	Hourly wage	Occupational group	Hourly wage
Food manufacturing industries:		Manufacture of transport equipment (repair of motor vehicles):	
Bakers (ovenmen).....	5.50	Garage mechanics, general duties.....	2.50
Manufacture of textiles:		Construction:	
Spinners:		Bricklayers.....	5.00
Male.....	5.85	Structural steel erectors.....	4.50
Female.....	3.65	Cement finishers.....	7.00
Weavers.....	3.70	Carpenters.....	7.00
Loom fixers (tuners).....	6.50	Painters.....	5.50
Laborers, unskilled.....	2.70	Plumbers.....	5.00
Manufacture of wearing apparel (men's cotton shirts):		Electric fitters (inside wiremen).....	5.25
Sewing-machine operators:		Laborers, unskilled.....	2.31
Male.....	6.00	Electric light and power:	
Female.....	4.00	Electrical fitters (outside lines).....	2.50
Manufacture of furniture:		Laborers, unskilled (power plant).....	2.50
Cabinet makers.....	7.00	Transportation:	
Upholsterers.....	10.00	Railways:	
French polishers (hand rubbers).....	7.00	Goods porters (platform loaders).....	3.58
Printing and publishing:		Permanent way laborers.....	2.50
Hand compositors.....	3.75	Trams and buses:	
Machine compositors.....	2.75	Drivers.....	4.81
Press operators.....	4.50	Conductors.....	3.50
Bookbinders (machine sewing):		Urban freight transport:	
Male.....	( <sup>2</sup> )	Truckdrivers (truck under 2 tons).....	3.68
Female.....	2.00	Municipal services:	
Laborers, unskilled.....	1.75	Laborers, unskilled (public parks and gardens).....	2.25
Manufacture of chemicals:			
Mixers.....	5.00		
Laborers, unskilled.....	2.00		

<sup>1</sup> 1 baht=US\$0.05.<sup>2</sup> Not available.SOURCE: *International Labour Review*, Statistical Supplement, Vol. LXXXVI, No. 1, July 1962.

## Pay Period Frequency

Thai law specifies that wages, overtime wages, and overtime wages for holidays, unless otherwise agreed by both employers and employees or sanctioned by customary practice, shall be paid as follows: In the case of wages calculated by—(1) the hour, day, or week, payment must be made at least once a week; (2) the fortnight, at least twice a month at an interval of not more than 16 days; (3) the month or year, at least once a month; and (4) the result of work (piece rates), at least twice a month at intervals of not more than 16 days.

Customary practice generally follows that outlined by the December 20, 1958, Announcement cited above. White-collar workers, whether clerical, technical, or professional, normally are paid monthly; skilled blue-collar workers may be paid weekly or semimonthly. Many employers prefer to pay regular manual workers by the month without calculating their pay on a daily basis. Payment by

the day generally is limited to temporary manual workers or other temporary employees.

## Travel and Transportation Expenses

The Thai Government pays the transportation costs for Government personnel engaged in official travel, and provides a relatively small per diem allowance. Private firms generally follow the same plan but pay somewhat higher allowances. Actual practice varies. Usually, it is considered more efficient to provide a fixed per diem than to require an employee to submit an itemized expense account as a basis for reimbursement.

Employers whose workers must travel some distance to the place of employment may either (1) provide company transportation if workers come primarily from a neighboring town or village and adequate public transportation is lacking, or (2) provide a flat sum to cover estimated costs of public transportation.

## Chapter XIII. Health, Safety, and Workmen's Compensation

### Health and Sanitation

The December 20, 1958, Announcement of the Ministry of Interior specifies a number of legal requirements to protect workers' health. Part 3 stipulates that an employer shall provide his employees with wholesome drinking water, wash basins, toilets, and other such facilities for their health. The facilities to be provided are specified for establishments of different size. Where both male and female workers are employed, adequate washing facilities and toilets must be provided separately for the women.

The same announcement also requires each employer to provide the services of a physician, a nurse, and treatment or first-aid facilities as employment conditions make necessary. Industrial or commercial establishments with 10 employees or more must have at least 20 basic first-aid items as specified in the announcement. Industrial establishments, in addition to the above, must provide treatment rooms, nurses, and physicians as follows:

*If there are more than 200 employees:*

- a. At least one treatment room and necessary medical supplies; and
- b. At least one nurse.

*If there are more than 500 employees:*

- a. At least one treatment room and necessary supplies;
- b. At least one nurse;
- c. At least one first-class physician (fully trained); and available periodically as needed.

*If there are more than 1,000 employees:*

- a. A clinic and all necessary supplies;
- b. At least two nurses; and
- c. At least one first-class physician attached to the clinic.

In addition, where the nature of employment is detrimental to worker health, the employer is required to arrange for physical examinations of his employees by a first-class physician at least once a year, and must maintain a file of these medical examination certificates available to the labor inspector. All expenses incurred in connection with any of the above provisions are borne by the employer.

The 1958 announcement includes special provisions to protect the health of women and children. Women may not be employed to lift, carry, haul, or push loads exceeding specified weights, as follows:

1. 30 kilograms for weight to be lifted, carried on the shoulders, carried on the head, or hauled on a level surface.
2. 25 kilograms for weight to be lifted, carried on the shoulders, carried on the head, or hauled when climbing up stairs or any elevated surface.
3. 600 kilograms for weight loaded on a vehicle on wheels with rails, to be pushed.
4. 300 kilograms for weight loaded on a vehicle on wheels without rails, to be pushed.

Limitations on the hours of work for women, as well as pregnancy and maternity leave provisions, are also stipulated as noted above.

Children under 14 shall be employed only for light work or work not detrimental to their health and bodily development. There are also limitations on their working hours. The Industrial Establishments (Factory) Act of 1939 (B.E. 2482) states that managers of factories must keep their establishments and the compounds in which they are located clean. Adequate light, ventilation, and precautions when dealing with toxic or explosive substances also are required.

Agricultural employment (other than rice mills and processing plants) and mining (other than oil distilleries and mechanized stone-crushing plants) are not specified in the Factory Act, although dock facilities for building or repairing ships are covered. The 1958 announcement, however, defines an industrial undertaking to include mines, quarries, and other works concerned with extraction of minerals from the earth. It also applies to construction, installation, maintenance, repair and demolition activities for any building, railway, tramway, harbor, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, drain, telegraphic or telephonic installation, electrical undertaking, gas works, water works, or other structure. Further, it covers the transport of passengers or goods, including the handling of goods at docks, quays, wharves, or warehouses.

According to the Factory Act and its amendments, the employer is responsible to the inspectorate of the Ministry of Industries for complying with each of the act's provisions. Presumably, however, the minimum standards enforced in regard to health and sanitation are those specified in the 1958 Announcement of the Ministry of Interior, since these two ministries share the control function.

Generally speaking, compliance with the legal requirements to protect worker health has not been even. The most modern firms, local and foreign, tend to comply to the greatest extent, and their workers tend to be most aware of their rights under the laws. Foreign firms customarily are expected not merely to meet but to exceed the minimum requirements. Thai Government agencies attempt to set a fairly high standard; Government corporations with more than 1,000 workers, for example, provide free housing, free medical care, and the facilities of a clinic. Both Government corporations and certain modern enterprises also provide some type of lunchroom facility and exercise some concern about worker diet.

### **Safety Conditions and Required Precautions**

The December 20, 1958, Announcement of the Ministry of Interior stipulates that work which may be detrimental to a worker's health or person shall not exceed 42 hours per week. In a subsequent announcement by the Ministry "fixing work detrimental to the health or body of employees . . .," dated January 5, 1959 (B.E. 2502), considered to fall in this category is work:

1. Performed underground, underwater, inside caves, tunnels, or deep mountainous passages;
2. Connected with the production or transportation of dangerous chemicals, explosives, or poisonous or inflammable materials;
3. Connected with radioactive substances.
4. Which involves soldering metals by the use of oxygen;
5. Which involves exposure to offensive odors, fumes, smoke; gas, dust, or dangerous dust film;
6. Which involves the use of vibrating equipment which affects the user; and
7. Which involves exposure to dangerous intensity of heat or cold.

Special provisions are made for the protection of women and children. No employer may employ women in the following: Cleaning of machinery or motors in motion, work involving the use of scaffolding in construction more than 10 meters above the ground, operation of circular saws, the manufacture or transportation of explosives or inflammable materials, and underground mining. Children under 14 may do only light work, and no employer may hire children under 16 for work involving the use of machinery or motors, the use of cranes or weight lifts, firefighting, or the use of scaffolding in construction. In addition, the following activities are

specifically prohibited for children between the ages of 16 and 18: Cleaning of machinery or motors in motion, underground or underwater work, production or transportation of dangerous chemicals, poisonous, explosive or inflammable materials, and work connected with radioactive substances.

The Thai Factory Act of 1939 (B.E. 2482) stipulates that where machines are used, they must be strong, durable, and without dangerous defects. They must be fenced in (protected by guards) or otherwise enclosed to prevent accidents. Factories must have a sufficient number of doors to permit workers to escape immediately in an emergency. Where a factory uses poisonous materials such as lead, arsenic, or phosphorous, or if it manufactures dangerous articles such as explosives or fireworks, workers must be provided with adequate protection against safety hazards. Factories violating these provisions may be completely or partly shut down by an authorized inspector. The factory itself must be approved (licensed) in terms of its compliance with the safety requirements of the law before it or any new addition to it goes into operation.

As in the case of health and sanitation requirements, prevailing practice has varied. Modern Western firms almost universally exceed minimal stipulations.

### **Accident and Disease Compensation**

The primary source of law governing accident and occupational disease compensation is the Special Announcement (No. 2) of the Ministry of Interior "concerning rules of payment, the method of payment and the amount of compensation," issued December 20, 1958 (B.E. 2501). Covering all types of mining, construction, manufacturing, power generation and transmission, transportation, commercial activities, and office work, this announcement contains a detailed statement of requirements.

If an employee suffers from a disease arising from, or incidental to, the nature or conditions of his employment, which causes him to be unable to work for 7 or more consecutive days, he is entitled to monthly compensation at the rate of 50 percent of his regular (base) wages, beginning with the eighth day of his disability. If he is not paid on a monthly basis, his average monthly wages are to be calculated in terms of the 5 previous consecutive months,

or from the first month of employment if he has not worked 5 months at the time of his incapacitation. If the disability continues for 21 or more consecutive days, the employer must pay compensation, beginning with the first day of disability and continuing as long as it lasts, up to a maximum of 1 year.

If an employee suffers personal injury as a result of his employment, or a disease either directly or incidentally related to that employment, he is entitled to 50 percent of his monthly wages at the time of accident as compensation, payable for varying periods in accordance with the following schedule: For the loss of one arm, leg, hand, or foot, payment varying from 2½ years to 4 years and 1 month; for the loss of sight of one eye or hearing of both ears, 1 year and 11 months and 1½ years, respectively; for loss of hearing in one ear, or for digits from a small toe to a thumb, payment is for varying periods of from 2 to 9 months, depending upon the gravity of the loss. If an employee suffers more than one of the above losses, the periods are added together, but are not to exceed a total of 5 years.

The law requires that 60 percent of wages must be paid monthly, for 5 years, to an employee who suffers a personal injury or a disease, either directly or incidentally related to his employment, in accordance with the following schedule:

1. Loss of both hands or of both arms by amputation, or loss of one hand and the other arm by amputation;
2. Loss of both feet or of both legs by amputation, or loss of one foot and the other leg by amputation;
3. Loss of one hand or of one arm and the loss of one foot or of one leg by amputation;
4. Loss of sight of both eyes;
5. Spinal injury causing the loss of use of both hands or of both arms; of one hand and one arm; of both feet or of both legs; of one foot and one leg; or of one hand or one arm and one foot or one leg; and
6. Brain injury causing mental derangement which makes the employee unable to work because of insanity.

An announcement of the Ministry of Interior "naming diseases arising from employment," dated October 31, 1958 (B.E. 2501), lists the following: (1) Diseases due to poisoning from: phosphorus, mercury, manganese, arsenic, benzene, chromium, nitro gas, carbon disulfide, or vegetable alcohol; (2) pneumoconiosis, a lung disease contracted from inhaling mineral particles; (3) the bacterial disease, anthrax; (4) glanders, an animal disease trans-

mittable to man; or (5) diseases resulting from other infections.

The Special Announcement (No. 2) of the Ministry of Interior, December 20, 1958, dealing with workmen's compensation, also provides for the filing of an additional claim by a worker if the original injury or disease develops complications; the worker is required to submit his new claim within 60 days of the time that the aggravation becomes known. If he has already been compensated for the disease or injury, he is to be paid only with respect to the new period of affliction. When an employee is restored to complete normality, according to medical examination, the employer has the legal right to terminate his compensation payments.

All forms of compensation for disease and injury, under the above provisions, are limited in both the minimum and maximum amounts for which the employer is liable. The amount of compensation is not to exceed 2,500 baht per month nor be less than either 200 baht per month or the worker's computed wage rate, whichever is the smaller. Employers are also required to pay for all medical, surgical, and hospital services needed by the employee up to a maximum of 10,000 baht. The employer, however, is not liable for workmen's compensation where injuries, disablement or death are caused by drunkenness, intoxication or habit-forming drugs, willful disregard of lawful orders given by the employer, willful violation of the law, or suicide. Where an employee dies as a result of personal injury or service to the employer, or disease incidental to his job, his surviving dependents receive monthly compensation.

Death and survivorship benefits for workers and their dependents also are covered by the workmen's compensation provisions of the Special Announcement. Monthly compensation is paid to the dependents of an employee for 5 years in the case of death by personal injury or as a result of disease directly or incidentally related to his employment. Such compensation is based on the following schedule:

1. If the deceased is survived by a husband or wife, one or more children under 18 years of age, and/or one or more parents, all of whom total three or more persons, 60 percent of his regular wages is paid. If there are only two dependents, 55 percent is paid; if only one dependent, 50 percent.
2. If the deceased has none of the above dependents, but is survived by a grandfather or grandmother, 40 percent of his regular wages is paid.



3. If the deceased has none of the above two categories of dependent, but is survived by brothers, sisters, and/or nephews or nieces under 18 years of age, 40 percent of his regular wages is to be paid. Where several dependents are entitled to compensation, it will be shared equally among them. If any of them dies, the share of the deceased dependent is to be divided among the remaining survivors.

As under the legal provisions governing all other forms of workmen's compensation, the compensation for which the employer is liable is not to be less than 200 nor more than 2,500 baht per month during the 5-year period of payments. The employer is also liable for funeral expenses; these are to be calculated at three times the deceased's regular monthly wages, but not more than 5,000 baht. The funeral expenses are to be paid to the person who handles the cremation (the customary form of funeral for Theravada Buddhists).

The administration of workmen's compensation is vested in the Workmen's Compensation Section of the Labor Bureau, Department of Public Welfare. On the basis of previous practice, each of the nation's district officers is authorized to receive accident and disease reports and make awards. The actual procedure is for the worker, his dependents or his guardians, to file a claim on a special but simple form and present it together with a medical certification of his physical condition to the Labor Bureau or a district officer. The announcement requires that the authorized Government officer be notified within 90 days from the day on which the employee or

his guardian or dependents had knowledge of his illness, injury, or death. The employer, for his part, must notify the proper authority in writing within 7 days if a death has occurred, or within 10 days of the day on which the employee is found unable to work. (Certification of incapacity for work may be made by a physician if the employer so requests.)

When a worker files his claim, an investigation is conducted, and a decision and award are made, by the appropriate Government officer as soon as possible. The employer is also notified; if he is liable for the payment of compensation, he must start making the necessary payments at once, and confirm this fact in a written statement to the Government officer, signed by himself, the worker, and a witness. Both worker and employer may, within 15 days of receipt of the decision, address a written appeal to either the Director-General of the Department of Public Welfare or some other officer designated by the Ministry of Interior. If the decision on the appeal is still unsatisfactory, either party may then submit his case to a regular court within 30 days of receipt of the final decision.

In practice, the Workmen's Compensation Section to date has served primarily as a conciliator. Employers utilize private insurance companies to underwrite their risks; the major foreign firms, in particular, follow this practice. As indicated above, the employer bears sole financial responsibility for workmen's compensation.

## **Chapter XIV. Social Insurance and Cooperatives**

### **Government Systems of Insurance for Private Enterprise**

A fairly comprehensive social security law was enacted in 1954 (B.E. 2497), and a Department of Social Insurance was established in the Ministry of Finance to administer the program. However, implementation of the act was postponed, partly because of popular protests against the size of employee contributions, and partly because the Government lacked the requisite statistical data. In April 1958, the Council of Ministers abrogated the act. The Social Insurance Department was also abolished, and the social security program transferred to the Department of Public Welfare of the

Ministry of Interior. Since then, this department has been responsible for developing new legislation. At present, however, there is no comprehensive legislative provision for a Government program of old-age insurance.

In the case of disability insurance, the workmen's compensation provisions of the Announcement (No. 2) of the Ministry of Interior "concerning rules of payment, the method of payment and the amount of compensation," dated December 20, 1958 (B.E. 2501), constitute the source of operative legislation. Legal references to maternity benefits are found in the announcement of the Ministry of Interior "concerning working hours, holidays of employees, conditions of woman and child labor, payment of

wages and welfare services," also dated December 20, 1958 (B.E. 2501).

The Department of Public Welfare engages in a number of significant programs of child welfare, family welfare (an act providing children's allowances was repealed in August 1958), and welfare for beggars, the destitute, the aged and physically handicapped, as well as a land resettlement program, occupational assistance, public low-cost housing, and disaster relief.

Any social insurance having a statutory base is related primarily to protective labor legislation. Persons are not covered unless they qualify as employees of industrial or commercial enterprises or (with the exception of the special protection for women and children) do not work for firms with 10 employees or more. For those workers who are protected by the labor laws, there are still significant gaps in legal coverage, such as the absence of old-age insurance. Private insurance and pension plans are therefore frequently used.

#### **Private Insurance and Retirement Systems**

Private enterprise has provided various welfare programs for employees, differing with the size of a firm's personnel organization and its personnel practices. Apart from legally required benefits, some of the most progressive organizations, both foreign and Thai, provide special medical and hospital assistance, private life insurance, and retirement pension and provident plans. Such action builds on the Thai tradition of paternalistic relationships and parallels the pension insurance system which has covered Thai Government

employees for more than 30 years. The still limited character and diversity of private action, however, prevents any compilation of specific data at this time.

The Government provides medical care, disability coverage, and a joint civil and military retirement system for its employees. Under the last-named, employees are eligible at the age of 60, or after 30 years of service, for a retirement benefit based on three-fifths of their salary at time of retiring.

#### **Cooperatives**

Various Thai governments have supported the development of agricultural cooperatives since 1916 and, in 1952, a Ministry of Cooperatives was established. The cooperatives concept is rooted in the mutual assistance features of Thai rice planting and harvesting.

Since the official launching of a cooperative movement, Thai governments have expended significant sums of money to support the program. They have chosen the members of cooperatives with sufficient care to limit the number of failures. Nevertheless, proportionately few farmers have been organized into cooperatives, most of which have been credit rather than marketing organizations. A major objective of the movement has been to make the members financially self-sufficient, reducing their dependence on moneylenders and other middlemen.

In the 6-year economic development plan inaugurated in 1961, the Thai Government reaffirmed its support for the cooperative movement and a desire to expand and improve it. Provision is made for increased education of farmers in the principles and techniques of agricultural cooperatives.

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